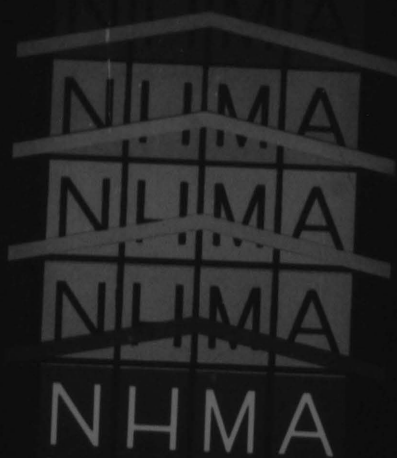


## Retailers ready their January shopping lists



Touring the  
**Winter CES**  
they'll be  
checking out:

- Personal Computers
- Digital Audio
- Portable VCR's
- Videogame Software
- Personal Portables



Visiting the  
**Housewares Expo**  
all eyes  
will be on:

- Kerosene Heaters
- Food Processors
- Cookware
- Quartz Clocks
- Portable Vacuums



Hitting the  
**Home Builders' Show**  
the action  
will focus on:


- Microwave Ovens
- Induction Cooktops
- Self-cleaning Ovens
- Compact Refrigerators
- Washing Machines



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Because now, even our price looks better.

MATTEL ELECTRONICS®  
**INTELLIVISION® II**

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\*IntelliVoice module and voice cartridges each sold separately.

## TRENDINGS IN PERSONAL ELECTRONICS

### Dealers weigh pros and cons of changing videogame area

Videogame buyers, coming off of a Christmas season noted for brisk hardware and software sales, but at kamikaze price cuts, are wondering to what degree they should commit themselves to the category in 1983. Consider these observations:

- most conservative estimates put between eight and ten million game systems in use right now, with the owners looking for quality software;

- competition has reached saturation at retail. Every type of dealer, from electronics stores to supermarkets, are moving videogames;

- such competition has begun sifting out the winners and losers on the supplier level. More recently, Atari and Mattel's failure to meet Wall Street investors' fourth quarter videogame expectations may signal an answer to the young industry's question, "how high is up?"

- paralleling the videogame business a year ago is the home computer and related game software business today, with hardware now priced below some game systems;

- exhibitors at the WCES will be showing a whole new generation of videogame and computer system hardware and software for the new year.

Retailers have come to Las Vegas knowing that videogame software sales were up dramatically in 1982. *Merchandising's* Eighth Annual Statistical and Marketing Report (August 1982) projected cartridge shipments would rise 69.4 percent last year, to 61 million units. The 1981 figure, by comparison, totalled 36 million game cartridges shipped by suppliers.

But manufacturer predictions became even more bullish as the fourth quarter rolled around. By the time Christmas 1982 came to a close, the only certainty was that the videogame market had changed radically over the past year.

For one thing, with the number of retailers selling the games skyrocketing and the increased competition on the vendor side, both software and hardware margins aren't what they were one year ago. Then, some dealers were getting full 40 percent margins on the cartridges and around half that on the consoles.

At least one New York dealer was running the Atari VCS at \$99 the day before Thanksgiving, although warning readers that only 24 units were available per store. Only three Atari 5200's were in each store, but at a \$179 price point. Cartridge prices included *Space Invaders*, *Pitfall!* and *Demon Attack* at \$19.88; *Pac-Man* and *Donkey Kong* at \$23.88, and *E.T.* and *Star Raiders* for \$29.88.

One Massachusetts dealer had seen the VCS console advertised at \$99, but with the purchase of five cartridges. Indeed, the market has changed!

Although vendors were claiming that prices would hold through Christmas, buyers disagreed. Overall sales were up in 1982, but dealer market share was less. Consumers can buy games wherever they look and price is now the last resort for many retailers.

#### New wave coming

A new wave of hardware and software is here and many more will follow. Atari's 5200 and ColecoVision are both drawing good receptions from consumers, buyers said. Mattel

is expanding Intellivision's capabilities, and the Odyssey people are showing the Odyssey 3 at CES.

Yet the steeper growth curve this year will undoubtedly belong to the home computer, and therefore to computer game software. "We sell computers as game systems," the owner of a West Coast game store chain noted. "I don't think people are buying computers to keep their books. We sell them simply on the fact that the home computer is a better game-playing machine."

The Massachusetts buyer agreed. Computer games are selling furiously, he said. It's the business and education titles that are not moving, leading him and other dealers to wonder why so many vendors are rushing this type of software to market.

Game software, most agreed, will dominate the computer business this year, and an unprecedented number of titles await buyer perusal.

As the result of all this, should retailers consider playing up computer game software at the expense of that for the videogames?

Not quite yet. As one East Coast department store executive noted, "videogame cartridges will still outsell computer games 10 to one." ●



Bill Oediana

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## Vidmax introduces an interactive laserdisc that offers 16 different murder combinations

By Richard Marini, contributing editor  
NEW YORK—Derrick Reardon, an internationally known financier and businessman, has been murdered. And like any good mystery, suspects abound. Did Reardon's wife, Elisa, murder him? Or maybe it was his sister, Jessica, or his brother, Tom.

In fact, everyone present at the Reardon mansion the night of the murder had reason to want Reardon out of the way. Not surprisingly, even the butler is suspect.

But what makes the case even more baffling is that, depending on which path private dick Stew Cavanaugh takes in his investigation, he can come up with 16 different combinations of murderer, method and motive to fit the crime. That's because all 16 solutions are contained in Vidmax's new mystery game laserdisc, *Murder, Anyone?*

The first truly interactive videodisc, *Murder, Anyone?* leads would-be sleuths on 16 different chases for the murderer all on one disc. Players watch as Cavanaugh interviews suspects and snoops around the mansion. Then they can sift through the clues themselves and, using their own intuition, match wits with Cavanaugh and guess the murderer, method and motive in best Agatha Christie style.

### First of five

*Murder, Anyone?* is the first of five MysteryDiscs planned for release by Vidmax through May 1984. National distribution to video specialty stores will be handled by A&H Distributors except for those shops serviced by Pioneer and any N.A.P. Co. (Magnavox, Philco or Sylvania). The Video Shack chain of retail video shops premiered the disc in the New York City area approximately one week before other markets received it. *Murder, Anyone?* carries a suggested retail price of \$29.95.

After examining the potential markets for MysteryDiscs, Vidmax decided on an initial pressing of only 6,000 units, according to company president Eric Nowlin. "There are only about 100,000 laserdisc players out in the marketplace today," he explained. "We estimate an eventual 30 percent saturation rate, but that still doesn't justify a massive ad campaign, although we are committed to promoting the discs as much as possible."

Nowlin added that he hopes the disc introduction will garner a good deal of media attention from local newspapers and TV news desks.

### Has 16 story lines

Making creative use of the laserdisc's two-channel sound, Vidmax has managed to develop 16 different story lines behind the Reardon murder all on one side of one disc. (The second side remains blank.) In all, that amounts to about 15 hours of entertainment.

After a quick prelude during which Reardon is murdered, players reach what is called a "decision point," and must choose to follow path one or path two. Essentially, the choice is whether they'll hear the right channel sound or the left.

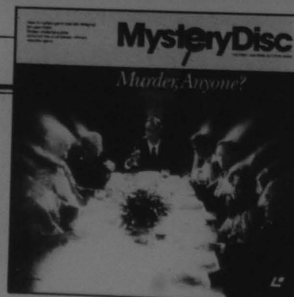
While the video portion is the same on each path, slight alternations of the audio make for completely dif-

ferent story lines. Voiceovers are sometimes used to differentiate the stories and the disc producers have used other clever tricks such as over-the-shoulder camera shots, walk-aways and even over-dubbing to develop the various plots.

As players choose between path one and path two at each of the four decision points on the disc, the number of plots underway increases geometrically in each "act." There are two tracks, or stories, during act one, four during act two, eight during

act three and, finally, 16 during act four.

At the end of the story, players guess which of the characters murdered Reardon, how he did it and why. Astute players should be able to deduce the murderer based on what they saw on the screen. If not, single-frame clues, such as photographs of the murder scene, transcriptions of interviews with suspects and other evidence can be studied at length using the videodisc player's frame search ability. Each plot even carries



16 COMBOS OF MURDERER, method and motive fit the crime in Vidmax's mystery game videodisc, *Murder, Anyone?* The consumer gets about 15 hours of entertainment for a suggested \$29.95 retail.

a single-frame denouement for players interested in knowing the murderer's final outcome.

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- #3: 5-1/4" Diskettes compatible with Atari 400/800 computer and Commodore VIC 20.

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double dens  
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available in  
pack, triple  
12-pack.



## Merchandising

# 1234567890 PERSONAL ELECTRONICS

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## Comdex exhibitors answer retailer queries, urge stores to beef up software selections

By Deborah Cromer, field editor

LAS VEGAS—As the base of retailers selling computers continues to broaden, more of the exhibitors at the recent Comdex show turned their attention towards those dealers who are not computer specialists.

As a result, retailers who were among the more than 50,000 attendees at the fall '82 show in Las Vegas were able to come away with many of their questions about computer retailing answered.

For one thing, the manufacturers were able to stress that the trend in software is tilting away from entertainment towards educational programming. Retailers were encouraged to beef up their software selections in the year ahead to meet the increasing demand and hang onto customers once they have purchased their computer.

Apple Computer, Inc., which has been experimenting with selling computers via special boutiques in upscale department stores, announced it is expanding the program to the East Coast. The company also noted that computer customers are following the same patterns as audio customers who shop at department stores—opting for a pre-packaged system.

Among new products, Sanyo was showing a new \$99 computer and announced plans for a \$199 unit to debut this spring. Panasonic, although it showed no new products at Comdex, said it will unveil its JR-200 personal computer at this month's CES.

Meanwhile, for retailers who would like to get into the computer business—but are being scared away by the thought of handling repairs—TRW is testing a program in a Dallas mall where customers can bring their units in for service. Plans are to expand the service nationwide by the end of the year, if it is successful.

### Educational software emphasized

The trend in software is leaning heavily towards educational rather than recreational applications, according to Bruce Cummings, director of corporate marketing for Softsel, a distributor with more than 2,000 titles and 190 vendors.

"When we started, it was almost exclusively games—not VCS games, but true computer games," he said. "Today, however, 60 percent of our volume comes from non-games."

Although 70 percent of Softsel's active accounts are computer specialty stores, software is also being sold in department and discount stores, video shops and book and record outlets.

Predicting that computer sales will really take off this year, Cummings said that retailers interested in the market will have to expand their software offerings.

"It wouldn't make sense to sell the 'box' and lose the software sale," he said. "You might get the initial sale of two or three software packages. But you will lose the customer if you can't offer further software development."

"Additionally, the retailer can earn

a better profit margin on software—20 percent on recreation and 40 percent on business—than on hardware. There, they're lucky to generate 10 to 20 percent."

As far as pricing goes, the market will decide the ceiling for mass merchants, Cummings said, adding, however, "they shouldn't get themselves into the position where the blades are more expensive than the razor."

Another view on pricing software was voiced by Softsel's president, Robert Leff. He said the price range where mass merchants will find their niche will be decided by the software's complexity.

"A store may not feel comfortable selling a \$1,000 package, simply because it's so complex," he said. "They may feel much more at home with a \$50 package."

Leff also noted that software will become easier to sell this year, partly because the new programming is designed to be user friendly.

### Apple launches boutiques

Apple Computer, Inc. is approaching upscale department stores with a plan to install "Apple boutiques."

A pilot was launched in March in Macy's San Francisco. Since that time, additional boutiques have been opened in a southern California May Co., Weinstock's in Sacramento, Macy's New York and Bamberger's.

The boutiques stock a full complement of Apple products, including consoles, peripherals and business and educational software.

"We started the pilot to see how the home market differed from the business market and to evaluate both customer and store needs," explained Vince Brennan, Apple's director of developing markets.

"We recognize that the type of customer who shops in a traditional department store is very likely to buy a computer there," he said. "We also recognize that a department store gets millions of people passing through, while the average computer store gets only a fraction of that."

Under the program, the department stores are treated as is any other authorized Apple dealer, and receive the company's full line of merchandising programs. "We went to upscale stores because they were more willing to commit the dollars and energy needed to create a quality department," Brennan said.

In charge of the Apple boutiques is Ed Reutemann, home market specialist, who reports to Brennan. He works with the retailers in setting up the boutiques—deciding where to place them, designing the layout, training the staff, stocking the department, etc.

What has the pilot program revealed?

"Although we are still evaluating it, we found that it takes roughly six months to get the boutique going and get the store to fully understand computer merchandising," he said.

"As for performance, the pilots are doing better than we expected, and we are already seeing some buying pattern differences," Brennan noted.

"One of the biggest successes has been the \$1,995 bundle with an Apple

(Continued on page 57)

## Mass merchants, specialists alike can find a niche in computer sales

By Deborah Cromer, field editor

LAS VEGAS—The world of computer merchandising is changing so rapidly that many retailers are struggling to keep on top of technological and market-driven changes.

In order to gain a perspective on the market and its future, *Merchandising* visited with Michael Tomczyk, product marketing manager, Commodore International, during the recent Comdex computer conferences.

**Q. Where does the mass merchandiser fit into the retail computer area?**

**A.** Let's first define the market. The small computer business can be broken down into three categories:

1. **Home computers** are introductory units for entertainment. They sit on a coffee table and retail for \$300 and under.

2. **Personal computers** are desk-top units for home, school or office use. They range from \$300 to \$1,000 retail.

3. **Business computers** are exclusively for office use and are always sold as a complete system with printer and disk drive. The retail range is \$1,000-plus.

The mass merchandisers fit into the lower end of the personal computer market and the full home computer market.

Movement of computers is in a mass migration from retail segment to retail segment downward. Using the Commodore 64 as an example, since its introduction in September 1982 at \$595, 65,000 units had been



COMPUTERS WILL BE SOLD this year as computers, and not video games, says Commodore product marketing manager Mike Tomczyk.

sold through computer specialty stores as of Dec. 1, 1982. If that significant phenomenon comes from that narrow distribution channel, what will happen when it hits 20,000 stores when it's turned loose on the mass market?

At the Winter CES, we will release the computer to this market, and at that time, we will also make sure that computer specialty stores will have a replacement product with maximum price performance.

**Q. For the mass merchandiser, will 1983 differ from 1982?**

**A.** Based on their success with

(Continued on page 117)



CONSUMERS BUY from 80 to 90 percent of all computers sold for less than \$1,000, says Portia Isaacson, Ph.D., president, Future Computing.

## Specialty stores to abandon selling low-priced computers

By Howard S. Rauch, editorial dir.

LAS VEGAS—The market for home computers priced around \$1,000 or less belongs to mass merchants and any other hardy souls willing to wage price warfare. Specialty stores, not interested in such competitive strife, will happily ditch the low-end segment.

However, this segment offers very impressive potential to those who stick with it. Industry researchers, such as Future Computing, Inc., readily admit that the home computer

market has skyrocketed in the past two years. Pegged at \$900 million in 1982, sales may reach \$4.4 billion by 1987.

Of course, mass merchants need not restrict their attention to low-end products. Some chains—such as Sears—already are on the trail of the higher-end personal computer business.

Over the next two years, mass merchants will clarify where they belong in the computer market, according to Commodore International

product marketing manager Michael Tomczyk. Their progress will accelerate as they learn that computers must be sold differently from video-games.

Tomczyk and Portia Isaacson, Ph.D., president, Future Computing, were among speakers at last month's Comdex convention. Their sessions appeared to *Merchandising* to be the most relevant for electronics retailers still positioning themselves in the computer marketplace.

### Three categories defined

Future Computing classifies the current computer market into three major segments: 1. The \$1,000 range (primarily home computers); 2. The \$3,000 personal computer range; 3. More advanced systems in the \$10,000 range.

In the \$1,000 category, Isaacson estimates that 80 to 90 percent of sales are accounted for by consumers; five to 10 percent is small business; another five to 10 percent is institutional.

For those consumer electronics retailers also looking at the \$3,000 market, 20 to 25 percent of that business is done with Fortune 1000 companies, 45 to 55 percent with small businesses, 15 to 20 percent with institutions and 10 to 15 percent with conventional consumers.

According to Isaacson, consumer electronics stores had five percent of the \$3,000 computer market in 1982. She expects this percentage to be the same in 1987. Isaacson stated that 500 to 600 out of a possible 2,000 to 3,000 consumer electronics stores currently

(Continued on page 112)

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## Software explosion creates booming biz

LAS VEGAS—The explosion in software available to the computer market will spark growth of specialty stores over the next five years. By 1987, software outlets should be doing \$1.5 billion at retail.

This projection was made by Portia Isaacson, Ph.D., president of Future Computing, Inc., during a Comdex seminar designed to provide a retail sales forecast for 1983.

"Software stores are here to stay," she stressed. A successful outlet will deal with consumers who require very little assistance. If you have to answer three questions during the sale, she said, "you've lost money."

Sales per location will probably be \$300,000 a year, noted Isaacson. About \$100,000 is required to open a new store, she estimated.

Future Computing estimated the 1982 software market to be \$965 million at retail. Entertainment accounted for 47 percent of sales. Another 15 percent of the business was accounted for by financial planning programs, 14 percent — data base, 15 percent — word processing, 9 percent — accounting.

A major surge is expected in entertainment software sales, said Isaacson. "Atari and Texas Instruments will probably go off the charts on publishing entertainment software," she predicted.

Estimated at \$230 million in 1982, entertainment software volume is expected to reach \$3 billion by 1987.

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# Consumers buy home computers like audio: pre-packaged

(Continued from page 55)

II, a monitor, a stand, a disk drive and Writer II software."

Based on the success of this starter kit, it's evident that the customers are following the same patterns as when they buy audio equipment at a department store, he said. They are opting for a pre-packaged system akin to matched stereo components.

"Another advantage with the department store is consumer financing. Many shoppers are used to handing over a card and walking out with the purchase. Computer specialty stores can't offer that same level of ease in buying," Brennan said.

Looking at software, the Apple executive pointed out, "Analyzing customer needs is just as important in a department store as it is in the specialty shop. Although entertainment is a big sale, educational aspects of the software package will receive as much attention in the Apple boutiques."

"We're looking at the dynamics of the home customer to give them the best possible value for their computer. While entertainment software is not an area to laugh at, it's not the only solution. Retailers have to offer more, and we feel education is going to be number one," Brennan said.

"The pilot program is beginning to mature," he concluded. "In another six months to a year, we should understand the market and be able to make decisions about where to go from here."

## New products debut

Retailers are going to be getting an abundance of new computer products to choose from in the months ahead. Two of the manufacturers that expect to be heavily involved with the market are Sanyo and Panasonic.

At Comdex, Sanyo Business Systems Corp. showed its new PC-20, a 4K home computer with a full keyboard, an RF modulator, cables and a cassette with a sample program. It will be available in March with a suggested retail price of \$99, making it competitive with the already successful Timex Sinclair 1000.

A range of hardware and software add-ons is now being developed, according to Arthur Shebar, national sales manager. In addition, a 16K upgradable unit, the PHC-25, will be released in May with a suggested retail price of \$199.

At Panasonic, Dennis Reer, manager of computer products, said a color computer, the JR-200, will be released by the end of the first quarter. No price has been set yet for the unit, which is designed to meet basic home computing needs and has been engineered to be user friendly.

Features of the JR-200 include a built-in AC power supply, RF modulator, connections for a cassette player, printer interface and connections for an Atari-compatible joystick. It sports a 32K usable RAM and 16K ROM memory. BASIC computer language is built into the ROM.

The JR-200 was not shown at Comdex and will make its debut at the Winter CES this month in Las Vegas.

"We see this product as being bought primarily for recreational purposes, but we will also stress the more serious aspects of it," Reer said.

For retailers shying away from computers because of a lack of service

support, a pilot program by TRW's Customer Service Division may open new avenues.

A prototype retail computer service center was opened in a Dallas mall last October to provide commercial-quality service to the consumer market. The center services most major brands of computers and related equipment, videogames included.

Since March, TRW has used its commercial offices to provide warranty work for the Mattel Intellivision in 70 cities throughout the country. The success of that service spawned the retail shopping mall pilot, according to John Harnett, director of plan-

ning and development at TRW.

"Now, when the consumer's personal computer breaks down, it doesn't have to be shipped to a remote service center, leaving him waiting weeks before it's returned," Harnett said. "When the consumer drops the equipment off, in most cases, we'll have it ready within 24 hours. We're offering the same high-quality service that we offer our commercial customers."

"If the Dallas project is successful, we will probably have 15 stores open nationwide by the end of the year and 75 by the end of 1984," he said.

Videogame repairs make up 20 percent of the pilot's repair volume, according to Harnett. They average either \$25 or \$42, depending on the problem.

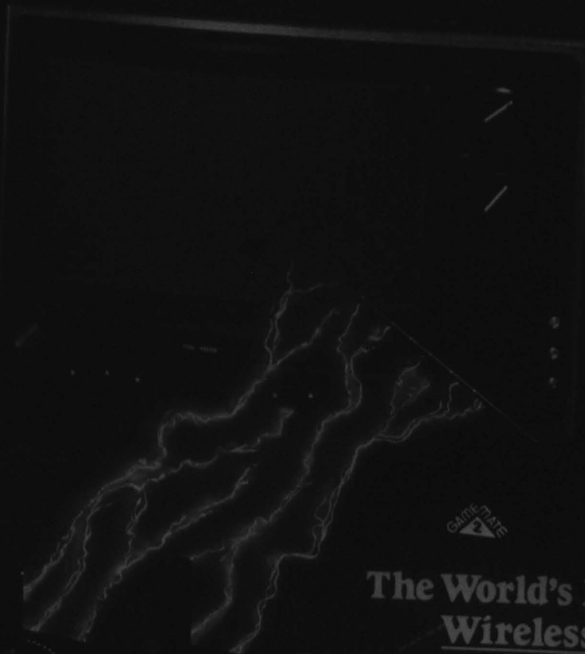
Customers with major problems (logic board failure) are given the option of paying \$42 for one-week turnaround, or getting an immediate replacement for \$50. Most, said Harnett, take the more expensive option.

Computer repair work has averaged under \$100.

"The market is definitely out there for this type of service," Harnett noted. "We just have to evaluate whether or not it is profitable."

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# John Madden Explains the CBS Video Game Plan



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the way we planned.



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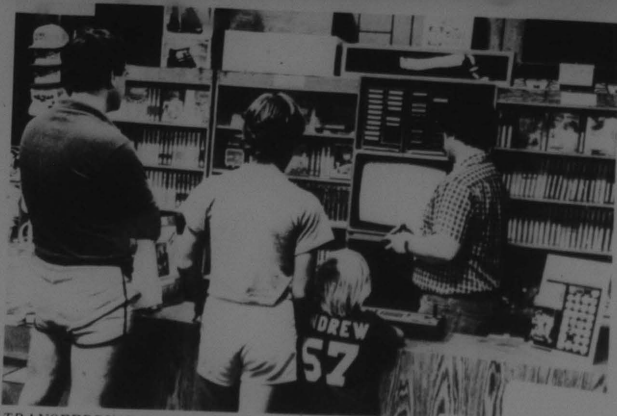
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TRANSFERRING A GAME from one medium to another is possible, but most computer users won't take the time to break built-in codes, say vendors. Low-priced computer games, starting under \$20, and maps and instructions needed to play will deter them.

## PERSONAL ELECTRONICS

# Game piracy may accelerate as computer sales increase

By Bill DeSiena, associate editor

BALTIMORE—As cassette and floppy disks become more popular formats for videogame software, piracy may follow a similar curve. As a result, game manufacturers and suppliers are scratching their heads and wondering just what to do about it.

Pirating copyrighted games from the ROM-based cartridges that fit most game systems and some home computers has been a small threat because of the relative difficulty involved. But it is possible, as one

recent court case revealed.

Transferring a game from one cassette or disk to another, however, is a simpler procedure for hobbyists to follow. But as one computer software vendor noted, it's not the hobbyist making a copy for a friend to be concerned about. Instead, it's the person who's duplicating the games with the intention of setting up a business that the industry must go after.

Other vendors say the majority of computer users won't take the time to break the debugging codes and copy the games. The release of more low-priced games, starting under \$20 retail, will also lessen the incentive. So will the increasing popularity of instructions, maps and other accessories that are included with many games and are necessary to play them.

The government is well aware of the piracy problem. In fact, two bills are pending on Capitol Hill right now, seeking to increase penalties for piracy and expand the scope of present laws.

### Piracy is already a problem

Videogame piracy is already a problem, according to Jackson Dott, sales representative, Microcomputer Games, a division of Avalon Hill.

"It's easier to copy a videogame than it is a record," he charged, referring to the computer game area. Microcomputer Games makes cassette and disk software for the Atari 400/800, Commodore PET, Apple II and IBM Personal Computer.

Dott noted that computer software piracy in the business and applications areas has been around since the computer's inception 25 years ago. "We have a reformed 'debugger' on our staff of programmers, which is a plus," he said. "Even if the user does break the code, though, what good is the game without the instructions and maps we provide?" he asked. Without a set of instructions, Dott said, "you shouldn't even bother playing."

When a company finds out that its games are being duplicated, it can prosecute. "Atari has been very aggressive in preventing piracy attempts, but as a small firm, we don't have the resources to pursue it this way," he pointed out.

### CBS Software goes to court

CBS obtained an injunction last Oct. 28 in a copyright case involving the unauthorized manufacture and sale of computer software it had licensed from K-Byte, a division of Kay Enterprises.

An individual had allegedly been duplicating the game K-Razy Shoot-out in his home, and selling the product via a photostated catalog at \$10 each. CBS will distribute the game for between \$35 and \$40 suggested retail.

"The game hadn't even gone into distribution by CBS Software yet; it was only under the K-Byte name," commented Edmund Auer, vice president and general manager for the software division. The individual probably ran ad blurbs in different computer publications in order to get business, Auer continued.

"This must be happening all over

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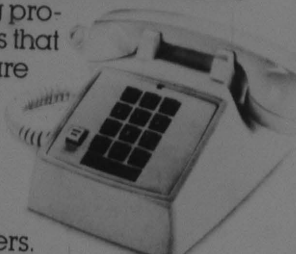
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the country, but unlike the record business, it is mostly amateurs trying their hand at it," he added. "I would hope that other publishers would do the same thing if challenged; we have to protect ourselves and our licensors, and the effort that goes into making a software program."

Auer said that CBS has followed the same policy for many years with regard to copyright infringements in its record division.

Atari has dealt with piracy attempts dating back to its original Pong game in the mid-Seventies. Right now, the firm is flexing its corporate muscle in an effort to crack down on coin-op pirates.

A recent suit was filed jointly by Atari and Bally Midway in the U.S. district court in Los Angeles. More than 50 defendants were charged with copyright infringement and unfair competition.

Games and printed circuit boards were seized for Atari's Kangaroo, Dig Dug and Centipede coin games and Bally Midway's Pac-Man, Ms. Pac-Man, Galaga, Rally X, Galaxian and Burger Time coin games. Equipment used to manufacture the copied games was also compounded.

Many manufacturers that have been making home videogame system software report that they will begin offering game software for computers this year. The hardware base of home computers, they said, is now large enough.

"Good software selection for the home computer isn't out there yet," noted Dennis Koble, vice president of software, Imagic. "But it will come, on cassette and eventually on disk, and piracy will become a rampant problem there. As soon as a software designer finishes a program, he knows someone is waiting to break the code and rip him off."

Douglas Bates, marketing manager for Parker Brothers, stated that the problem won't ultimately be solved in the software end. "Microprocessor innovation in the hardware system will be the way to deter people from being able to copy a game," he said. Parker Brothers will introduce a line of computer videogame software at the June CES.

#### Two piracy bills pending

Two piracy bills are pending on Capitol Hill right now. One, commonly known as the Software Piracy Protection Act (HR-6420), was introduced by Representative Frank of California. The bill seeks to strengthen computer-based software piracy legislation by increasing criminal penalties.

Another bill (HR-7207), from Representative Edwards, also of California, seeks to expand Title 17 of the U.S. Code, to protect semiconductor chips and masks from piracy. Masks are essentially the architectural design of information placed on a chip.

The big question in the proceedings, however, is what constitutes "a writing" that can be copyrighted and what is actually part of the hardware. The second bill pending is attempting to get semiconductor chips and masks classified under the definition of a writing.

**Comdex Coverage  
starts on page 55**

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# NEWSLINES

## PERSONAL ELECTRONICS

### 12345

**SUNNYVALE, CA**—The Atari Home Computer Division has unveiled the 1200XL computer, which will be a step above the existing 800 model, *Merchandising* learned at press time. But the 800 will stay in the line, as will the 400 unit. The 64K RAM 1200XL, to retail under \$1,000, will accept 400 and 800 software. A program recorder (\$99.95), 80-column printer (\$549) and 40-column printer-plotter (\$299) were debuted. Deliveries will begin in March.

**CHICAGO**—Dealers can pre-register for M/C Expo '83, a/k/a the National Mobile Communications Exposition and Conference, being held Feb. 10 to 12 in the O'Hare Exposition Center. The show is being billed as one which will bring "the many diverse segments of the mobile communications industry together under one roof." Exhibitors are projected to fill about 150 booths for the first-run event. Equipment including amplifiers, antennas, batteries, crystals, microphones, pagers, radio telephones and transmitters will be on display.

Seminars will include a full-day session on profiting from cellular mobile telephones. To be held at the Expo Center on Feb. 9, the session will cover an introduction to the cellular communications area. The \$125 cellular radio seminar fee includes free admission to the Cellular Showcase and the exhibit hall. More information on the session is available by contacting Cellular Radio News, at P.O. Box 24282, Washington, DC 20024. The exposition itself is also free if pre-registration forms are returned to the following address by Jan. 24: M/C Expo '83 Computer Center, Cahners Plaza, 999 Summer St., Stamford, CT 06905. Otherwise, a \$10 registration fee will be charged.



Parker Brothers promises 16 titles; enters computer software area

**NEW YORK**—With a \$30 million ad campaign, Parker Brothers will launch 16 videogame titles initially for the Atari VCS this year. At a press conference in New York, the company also revealed that it intends to have computer game software ready by the Summer CES. The major thrust of Parker Brothers' new software entries will again be in the licensing area, president Randolph Barton pointed out. Game titles include arcade releases such as Super Cobra, Reactor, Sky Skipper and Tutankham plus movie themes such as the Star Wars' Jedi Arena, Revenge of the Jedi I and II, James Bond and Lord of the Rings. "An entire line can be formed around many of these titles," said Richard Stearns, vice president of consumer electronics. Licensed character titles planned for release are The Incredible Hulk, G.I. Joe and Strawberry Shortcake. The latter two, with learning themes, will be geared toward younger children.

Cartridges will range between \$20 and \$30 retail, Stearns continued. By October, Intellivision cartridges for some of the titles will be shipped. Parker Brothers is also considering games for the Atari 5200 and ColecoVision consoles and will probably decide at the end of this year. Stearns projected a tripled sales gain in 1983 from the expected \$75 million in software sales in 1982.

Computer software will be produced for the Atari 400/800, Commodore VIC 20 and Texas Instruments 99-4a. According to Douglas Bate, marketing manager for personal computer software, titles will include arcade, strategy and children's games. The company's board games, such as Risk, will also be adopted for the computer.

**WOODSIDE, CA**—Organizers of the West Coast Computer Faires are putting together a trade show based entirely around the IBM Personal Computer. Scheduled for Aug. 26 to 28, the show will feature a technical conference, product exposition and user group meetings. "Several months ago, we announced an IBM Personal Computer Hall within the 8th Computer Faire, taking place in March," noted show organizer Jim Warren. "The PC Hall sold out in less than 10 days, and about two dozen companies are wait-listed. That's what gave us the idea for the PC Faire."

**PLAINVIEW, NY**—Webcor Electronics has formed a joint venture with a Chinese producer to manufacture exclusive telephone products through Hong Kong subsidiary Mercury Products. The venture is 50 percent owned by each part. Production will begin this month. Beginning output is estimated at about 60,000 units, to be expanded to roughly 100,000 units by mid-year.



Spectravision supplier unveils \$299.95 computer

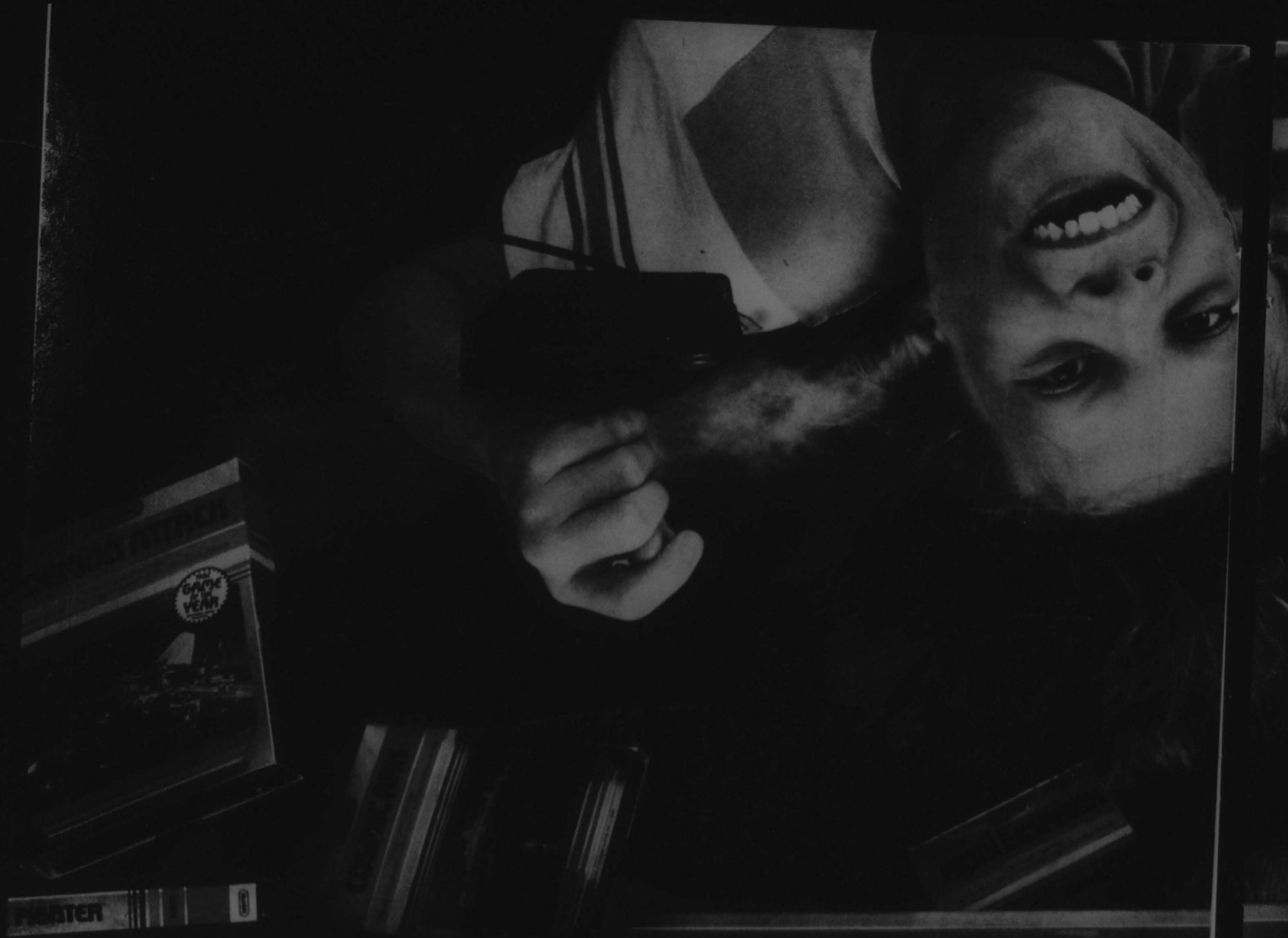
**NEW YORK**—Spectra Video is marketing a \$299.95 base-priced computer system. Model SV-318 has a built-in extended Microsoft BASIC interpreter and 80-column 2.2 CP/M and CP/M Plus compatibility, built-in 32K ROM (expandable to 96K) and 32K RAM (expandable to 144K). The suggested retail price for the entire system will be less than \$1,500. Dubbed the Challenger, the SV-318 "places high-end computer technology in the hands of the general market for the first time," according to president Harry Fox. Fourteen peripherals are available for the system which will be delivered beginning March. The company also markets the Spectravision line of videogame software and accessories.

**NEW YORK**—Perry Odak has left his post as president of Atari's consumer products division. The move last month happened one day after the release of readjusted 1982 earnings predictions by parent Warner Communications. A report in The Wall Street Journal on Dec. 9 quoted Warner saying that it expected 10 to 15 percent higher earnings than in 1981. This estimate was well below what analysts had previously forecast. The Atari division reportedly experienced poor post-Thanksgiving sales of cartridges and order cancellation activity from the retail sector. But competitor Mattel Electronics also revealed that a fourth-quarter loss was possible.

The announcements caused a slump in stock prices of Warner, other videogame and home computer companies and a few major retailers. Heightened competition at all levels of the videogame industry has cut into Atari's portion of software market share. Atari filed a number of patent infringement suits in 1982, mostly against competitors which, it said, were selling copies that Atari had patents on. One successful court battle stopped North American Philips' Odyssey division from selling K.C. Munchkin, a game Atari attested was a copy of its Pac-Man home cartridge. The most recent suit by Atari has been filed against software maker Imagic for its Demon Attack game for the Intellivision game system. Atari claims it is a copy of the arcade game Phoenix that it owns the rights to. Imagic denies the charge.

Atari's Consumer Electronics division has not released an arcade-themed home cartridge since Berzerk in the middle of 1982. At a recent press conference in New York, the company revealed it would introduce a minimum of five licensed arcade titles for the home market this year, including Ms. Pac-Man, Phoenix and Galaxian.

Atari is taking legal action against Coleco for the VCS adaptor the latter has made for its ColecoVision system. Coleco is answering Atari's \$350 million claim with a counterclaim seeking damages of over \$500 million.



**ANOTHER SATIS F**





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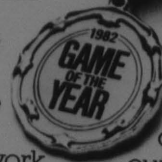
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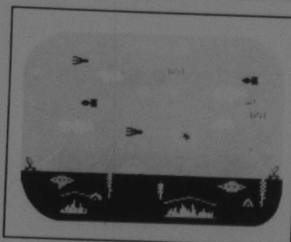


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## NEW RELEASES IN GAME SOFTWARE

### VIDEOGAME SYSTEMS

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**BEAUTY AND THE BEAST**, Imagic, Mattel Intellivision-compatible. Available now. Suggested retail \$39.95.

**BERMUDA TRIANGLE**, Data Age, Atari VCS-compatible. Available first quarter. Suggested retail \$31.95.

**EGGOMANIA**, U.S. Games, Atari VCS-compatible. Available this month. Suggested retail \$29.95.

**ENTOMBED**, U.S. Games, Atari VCS-compatible. Available this month. Suggested retail \$29.95.

**FRANKENSTEIN'S MONSTER**, Data Age, Atari VCS-compatible. Available in first quarter. Suggested retail \$31.95.

**GOPHER**, U.S. Games, Atari VCS-compatible. Available this month. Suggested retail \$29.95.

**M.A.D.**, U.S. Games, Atari VCS-compatible. Available this month. Suggested retail \$29.95.

**PICNIC**, U.S. Games, Atari VCS-compatible. Available this month. Suggested retail \$29.95.

**PIECE 'O CAKE**, U.S. Games, Atari VCS-compatible. Available this month. Suggested retail \$29.95.

**PIZZA CHEF**, Zimag, Atari VCS-compatible. Available in February.

**RAFT RIDER**, U.S. Games, Atari VCS-compatible. Available this month. Suggested retail \$29.95.

**RIVER RAID**, Activision, Atari VCS-compatible. Available now. Suggested retail \$31.95.

**SEAQUEST**, Activision, Atari VCS-compatible. Available in February. Suggested retail \$31.95.

**SECRET AGENT**, Data Age, Atari VCS-compatible. Available in first quarter. Suggested retail \$31.95.

**SPIDER FIGHTER**, Activision, Atari VCS-compatible. Available this month. Suggested retail \$31.95.

**SQUEEZE BOX**, U.S. Games, Atari VCS-compatible. Available this month. Suggested retail \$29.95.

**TANKS BUT NO TANKS**, Zimag, Atari VCS-compatible. Available in February.

**RAM IT**, Telesys, Atari VCS-compatible. Available in first quarter. Suggested retail \$31.95.

#### ARCADE

**REACTOR**, Parker Brothers, Atari VCS-compatible. Available February.

**SUPER COBRA**, Parker Brothers, Atari VCS-compatible. Available this month.

**TUTANKHAM**, Parker Brothers, Atari VCS-compatible. Available in March.

### LEARNING

**DISHASTER**, Zimag, Atari VCS-compatible. Available in February.

**I WANT MY MOMMY**, Zimag, Atari VCS-compatible. Available in February.

**STRAWBERRY SHORTCAKE**, Parker Brothers, Atari VCS-compatible. Available in March.

### SPACE

**COSMIC CORRIDOR**, Zimag, Atari VCS-compatible. Available February.

**DEMON ATTACK**, Imagic, Mattel

Intellivision-compatible. Available now. Suggested retail \$39.95.

**INNERSPACE**, VentureVision, Atari VCS-compatible. Available in February. Suggested retail \$19.95.

**JEDI ARENA**, Parker Brothers, Atari VCS-compatible. Available this month.

**RESCUE TERRA I**, VentureVision, Atari VCS-compatible. Available now. Suggested retail \$19.95.


**REVENGE OF THE JEDI I**, Parker Brothers, Atari VCS-compatible. Available in May.

**REVENGE OF THE JEDI II**, Parker Brothers, Atari VCS-compatible. Available mid-summer.

**SOLAR DEFENSE**, VentureVision, Atari VCS-compatible. Available in February. Suggested retail \$19.95.



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## STRATEGY

**MICROSURGEON**, Imagic, Mattel Intellivision-compatible. Available now. Suggested retail \$39.95.

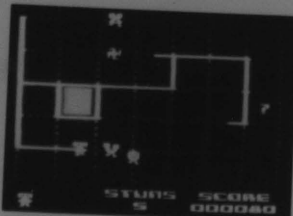
## COMPUTER GAMES

## ACTION

**COLLISION COURSE**, Zimag, Atari

400/800-compatible. Available in February.

**DODGE CARS**, Video Wizard's. Commodore VIC 20-compatible. Available now. Suggested retail \$19.95.



**KID GRID**, Tronix, Atari 400/800-compatible. Available this month in

cassette format.

**KERPLOP**, Zimag, Atari 400/800-compatible. Available in February.

**MUNCHER**, Video Wizard's. Commodore VIC 20-compatible. Available now. Suggested retail \$19.95 for cassette.

**MAD NETTER**, Computer Magic, Atari 400/800-compatible. Available now. Cassette or disk.

**NINEBALL**, Zimag, Atari 400/800-compatible. Available in February.

**POGOMAN**, Computer Magic, Atari 400/800-compatible. Available now. Cassette or disk.

**QUEST FOR INCA GOLD**, Zimag, Atari 400/800-compatible. Available in February.

**RAIDERS OF THE PYRAMIDS**, Video Wizard's. Commodore VIC 20-

compatible. Available at end of this month. Suggested retail \$19.95 for cassette.

**RIVER RAT**, Zimag, Atari 400/800-compatible. Available in February.

**SEARCH AND DESTROY**, Video Wizard's. Commodore VIC 20-compatible. Available now. Suggested retail \$19.95.

## SPACE

**GALACTIC DEFENDER**, Video Wizard's. Commodore VIC 20-compatible. Available now. Suggested retail \$19.95.

## Lechmere puts phones within shoppers' reach

(Continued from page 64)

taken out of the office equipment section and positioned near the main entrance.

They now occupy open shelf space within easy reach of customers, who can hold them in hand before purchasing. When they decide to buy, they can reach for boxed product on shelves below. Display and stock space in the Manchester store amounts to 48 running ft.

Customer attention is also drawn by large, translucent murals hanging in the store. These depict phone equipment in use.

In addition, an in-house cable system sends cartoons, commercials and sale news to monitors located in each department of the store. Some of the programming is devoted to phones.

"The objective is to entertain people while they shop," said DiGiacomo. The store hopes to attract shoppers' attention to other merchandise before they leave.

While the buyer said it was too early to decide whether the new phone merchandising approach is a success, he indicated that the other five stores will soon follow the Manchester store's example.

But Lechmere's phone sources and selection should not change drastically in 1983, DiGiacomo continued. And a steady amount of newspaper advertising will be continued to keep sales growing.

"What we're stressing now is the 'save' story," said DiGiacomo. "Our ads detail what Massachusetts and New Hampshire phone rates are and show readers how much they'll save by buying their own phone."

**Model CP-1100**  
New hand-sized compact Cobra phone with auto redial, mute, "Clear Call" feature.

**Model CP-1400**  
Cobra phone "Full-C-Flavor" system. Includes deluxe cordless phone with 9 feature auto dialing plus standard phone, remote charger, wall holder.

**Model CP-2000**  
Decorative styled Cobra phone with remote charge capability, automatic redial. Two models.

**Cobra Telephone Answering Machines**

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Two cassette, low-profile answering machines at a popular price.

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Beautifully styled deluxe unit with VCR, 3-function remote key.

**Cobra CB Radios**

**Model 3910D**  
Cobra 2 O.S. — the portable emergency CB package that stores in glove compartment, plugs into cigarette lighter for use.

**Model 3910D**  
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**Model 1810D**  
Mini-size, mini-cost, with most wanted features — a powerful seller.

**Cobra Replacement Phones**

**Model MT-240**  
Cobra phone Memory Telephone with 24-number auto-dialing, includes wall holder.

**Cobra Walkie-Talkies**

**Model 3GTL**  
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**Model 6GTL**  
6-channel, 5-watt model with center-loaded telescopic antenna.

**Model HC-200**  
Cobra "Command Call" — new hands-free 2-way FM communicator with boom mike.

**Model AD-322**  
32-number dialer with hands-free dialing.

**Model AD-325**  
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Model	Price
Model AD-322	1299
Model AD-325	1499
Model AD-325	1599
Model AD-325	1699
Model AD-325	1999
Model AD-325	2999

PHONE ADS in Lechmere inserts list phone company rental rates to show readers how much they can save.



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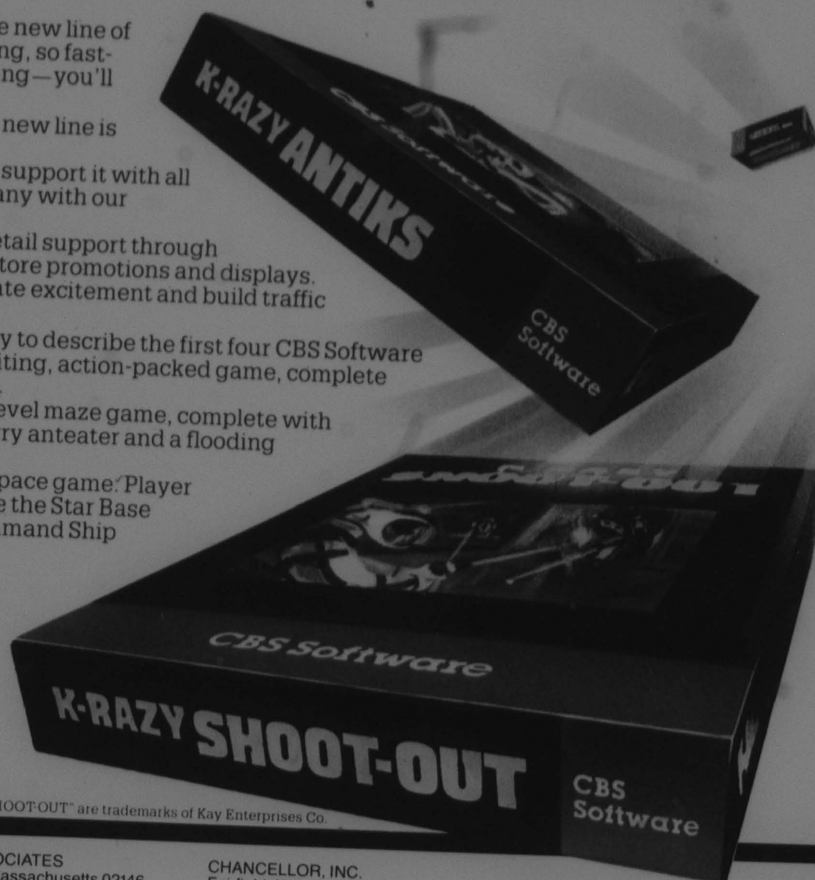
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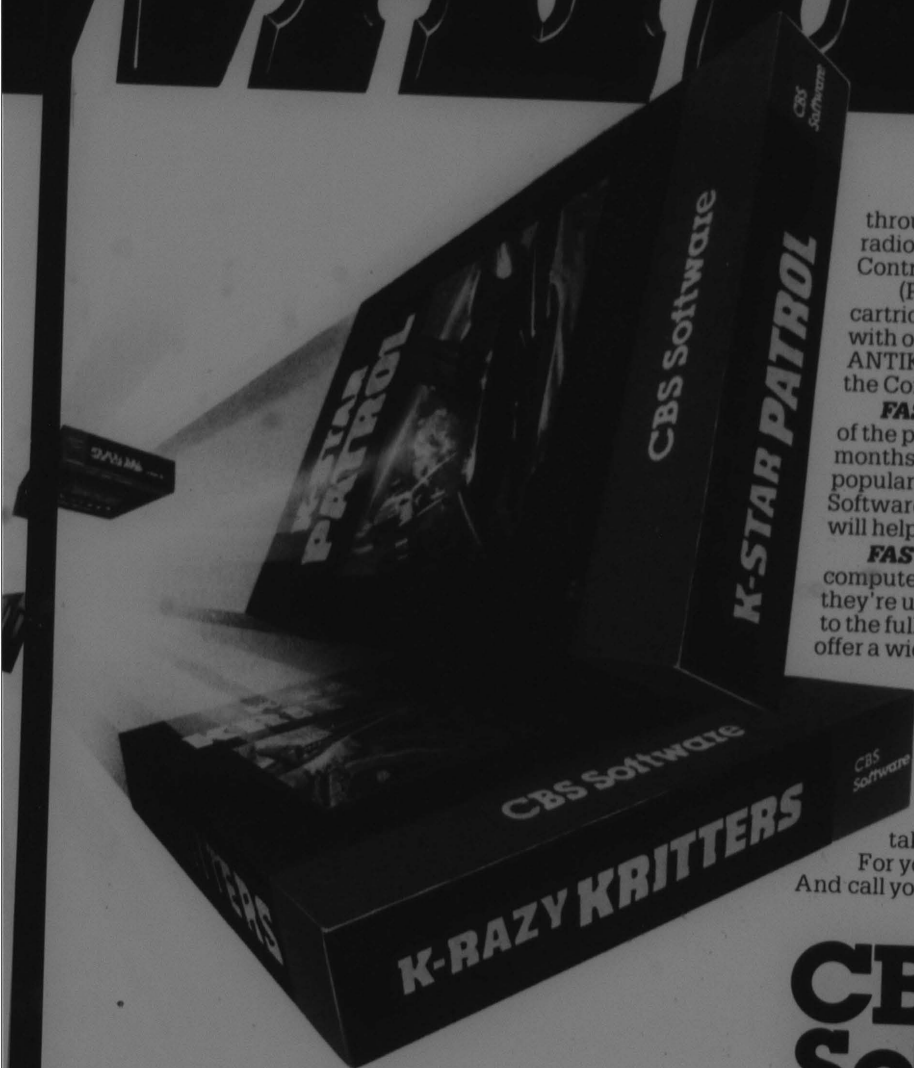
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## PERSONAL ELECTRONICS/CES PRODUCTS

### Ultravision introduces videogame console; accepts software from most other computers

CORAL GABLES, FL—Ultravision has brought a self-contained videogame system to market that plays most of the existing game software available.

Designed as a one-piece console, with a built-in 10-in. diagonal, high resolution color display monitor, the Ultravision unit is powered by a 6502 microprocessor. The 6502 chip also powers the Apple II, TI-99, Atari 800, Radio Shack and Commodore personal computers. In addition, it permits the unit to accept some of these systems' computer programs.

Game graphics allow three-dimensional rotation and zooming in and out. The portable unit operates on AC/DC, with a self-contained rechargeable battery power pack.

The system comes with two dual-action, 16-position joysticks. Both play when positioned against the console or with an optional four-ft. extension cord. Controls and accessories are compatible with Atari and Sears Tele-Game systems, and may be sold separately.

Computer peripherals for the system will be available in early 1984, the

firm said. The monitor can be used with computers, VCR's and cameras, and for home security monitoring when connected to a CCTV video camera.

Several Ultravision system games are being released this month, in the sports and adventure categories. Some will fit the Atari VCS.

The Ultravision console lists for under \$500, and the software for under \$40 each. When sold separately, the joystick lists for under \$15.

Ultravision, 161 Almeida Ave., M. Coral Gables, FL 33134.



Timex \$19.95 LCD watch

### \$19.95 LCD watch leads Timex entries

MIDDLEBURY, CT—An LCD watch listing for \$19.95 suggested retail leads the 1983 introductions from Timex.

An alarm/chronograph, four-year calendar with month/day/date/year, 24-hour time option and backlight are features on this men's watch.

Also unveiled is the SportsQuartz, a water-resistant watch with chronograph, alarm and timer functions. For use up to 80 feet below sea level, the watch has a melody alarm, plus features of the leader model above. Suggested retail is \$39.95.

A digital women's watch sports a colored display. A gold-tone case highlights the brown display, which is matched to the face and strap. The suggested retail price is \$32.95.

Another water-resistant entry has an analog/digital combination face. The men's watch offers a mineral glass crystal, alarm, hourly chime, chronograph with lap time, dual time zone, 24-hour time option and month/day/date.

Timex Corp., 1579 Straits Tpke., M. Middlebury, CT 06762.

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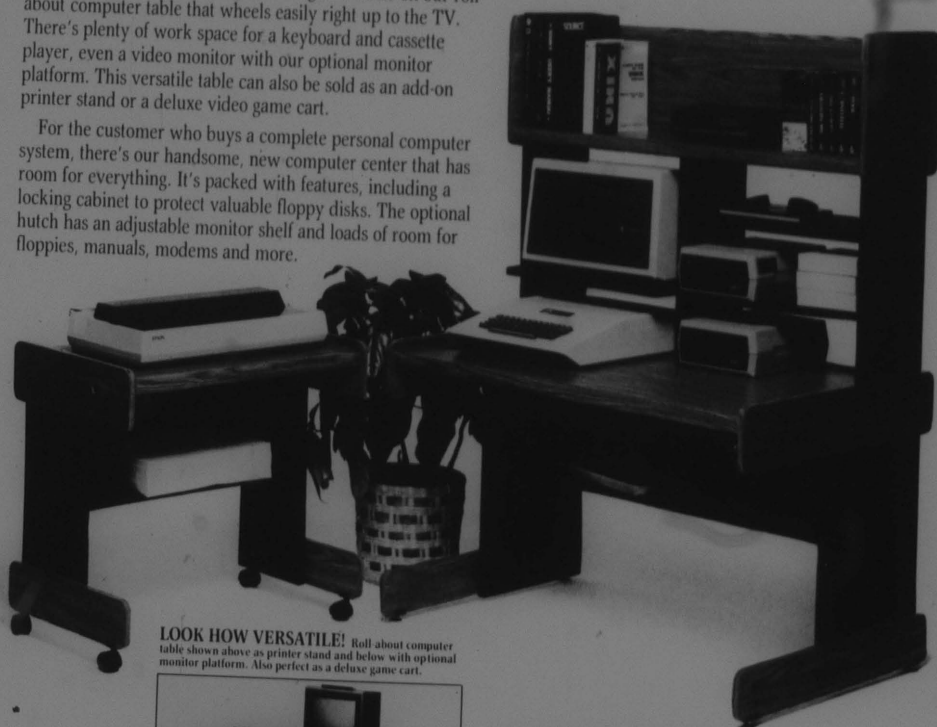
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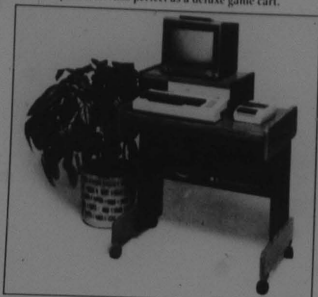
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### TPI joins phone, alarm clock, radio

MORTON GROVE, IL—An electronic telephone has been cradled together with an AM/FM alarm clock radio in a unit by Time Pen International (TPI).

Features include a mute switch; when the phone is picked up, the radio volume decreases. The product comes with a choice of three phone combinations: pushbutton (compati-



TPI clock radio/phone

ble with pulse or tone circuits), Touch-Tone or a 10-memory programmable unit.

The suggested retails are \$79.95, \$89.95 or \$99.95, respectively.

The matching unit is finished in a beige color and measures 8½ in. by five in. by three in.

Time Pen International, 8700 Waukegan Rd., Suite 135, M. Morton Grove, IL 60053.

## Panasonic introduces 32K RAM computer with 5 peripherals; floppy disk drive to come

LAS VEGAS—Panasonic has entered the home computer market with the JR-200. Introduced at Comdex, the unit has built-in features including AC power supply, RF modulator, connections for a cassette player and Atari-compatible joysticks, and a printer interface.

Panasonic has also come to the WCES with a host of calculator additions.

The color computer holds 32K useable RAM and 16K ROM of memory. BASIC language is built into the random operating memory.

The JR-200 can generate eight colors simultaneously and, for music composition or sound effects, three simultaneous tones in five octaves.

On-screen editing is possible for word processing functions.

Features include a multi-function keyboard in standard configuration, upper and lower case capability, BASIC commands, semi-graphic symbols and four-directional cursor keys. A tone confirmation is given when the computer's keys are pressed to help reduce the chance of error.

Software programs available allow for computing of home financing, word processing, educational materials as well as videogames.

Peripherals and accessories available include a five-by-seven dot matrix printer (model JR-P104) with a standard Certronics interface and 80-column paper capability. An RGB moni-

tor (model CF-1300), 2400-BAUD cassette deck (model RQ-8300), an RS-232 interface and an acoustic telephone modem are available. In the near future, a floppy disk drive will be introduced.

The JR-200 is scheduled for March availability. Its suggested retail price was not disclosed at press time.

Two desktop printing calculators have been introduced with green fluorescent displays, plain paper printout and AC power.

Designed with large keys and layout, model JE-651P offers 12-digit capability with a two-head printer that prints either blue or red.

It has four-key memory, delta percent, margin and percent keys and an



Panasonic solar calculator

item counter. Three-way rounding, six-position decimal selection and print/item print/non-print selections. For rapid calculation, the unit has a double zero key, and keys for non add/print and sign change. Listing for \$89.95, the unit measures 7-7/8 in. by 11-3/4 in. by 2-1/8 in.

A lower-priced model with many of the features listed above, the JE-652P is powered by AC and measures 7-1/8 in. by 10-5/8 in. by 2-1/8 in.

A wallet-mounted, solar-powered pocket calculator folds closed to fit in a pocket. The suggested retail is \$19.95.

In addition, a hand-held thermal printing unit has been introduced. The calculator comes with a large, 10-digit LCD display and uses a roll of 1 1/2-in. thermal paper for printing. To help conserve battery life, the unit automatically shuts off after five minutes of non-use.

Panasonic, One Panasonic Way, M. Secaucus, N.J. 07094.

## Phone/answerers added by Phonesitter

CULVER CITY, CA—Two phone/phone answerer systems were introduced by Phonesitter: the PT-920 with remote control and the PT-720.

Both models have built-in pushbutton telephones. Universal dialing key-set allows for phone operation on any phone line. The phones also sport last number memory redial, a mute switch for inter-room conversation privacy and ringer on-off switch.

The PT-920 comes with a pocket-sized remote command unit that permits playback of messages from any location around the world. The owner of either model can use pre-

recorded messages provided on one side of the cassette, or record his own messages on the other side.

Electronic tape decks on both models offer fast forward and cue, rewind and review, automatic shutoff at tape end, a red indicator light to signal a waiting message, a green ready to answer light and automatic ring control for selecting one to six rings before answer function.

Both machines have a monitor to screen unwanted calls and monitor shutoff for silent operation. With legal two-way conversation recording possible, the PT-920 and PT-720



PT-920 phone/answerer

systems list for \$199.95 and \$179.95, respectively.

Phonesitter, 10381 Jefferson Blvd., M. Culver City, CA 90230.

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The TPI Convenience Center includes an elegantly styled handset electronic telephone cradled together with an AM/FM full feature alarm clock radio - all in one handsome completely matching unit. Warm beige color complements any decor. Compact unit measures only 8 1/2 x 5" x 3" so it can be used anywhere. Ideal for bedroom, kitchen, office, den. Suggested list price - \$79.95 - \$89.95 - \$99.95.

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## NEWSLINES

### HOUSEWARES

#### Andis uses Atari computers for hair style analyses

RACINE, WI—Andis Corp. has signed an agreement to use Atari computers in its expanded personal care Stylesetter program.

The computers will be supplied to retail stores on a loan basis for two- to three-day periods. In addition, Andis will provide the store with a technician to help customers operate the computer.

Customers taking part in the program are asked 24 questions to gather information such as the shape of their faces, hair texture and lifestyles. The computer then provides a printout of three (out of a possible 84) hairstyles suited to each customer and a list of Andis products that can be used to maintain these styles.

#### Hairy helps The Great Ace sell 200 vacuums in a week

CHICAGO—Hairy the Carpet Critter from Eureka helped The Great Ace hardware store sell 200 vacuum cleaners in one week. About one-third of the units were Eureka Mighty Mite models, according to Kate Do-



Hairy the Carpet Critter makes a store appearance

lan, buyer for The Great Ace. The recent sale was promoted by full-page ads in a Chicago newspaper, a window display featuring a Mighty Mite unit and an antique Eureka. And, an in-store appearance was made by Hairy, the cartoon Carpet Critter who stars in Eureka's print and TV ads.

#### G.E. eliminates rebates from irons and skillets

BRIDGEPORT, CT—General Electric has eliminated its rebate programs on irons and

skillets, effective Jan. 1. "Rebates are less important today due to their proliferation," pointed out Tom Albani, general manager, housewares operations.

"We are confident that retailers will hold their sku's of irons and skillets even though the rebates have been cut," he said. "After some time has passed after the first quarter, we will re-evaluate this decision."

General Electric also plans to reduce the number of appliances which will carry rebates. "We will carefully watch the reaction of retailers and consumers to this change," Albani concluded.

#### Braun markets Gillette's personal care appliances

BOSTON—The Gillette Co. transferred the marketing responsibility for its personal care appliance line from the Personal Care Division to its subsidiary Braun, effective Jan. 1.

Gillette reported that this action followed an analysis of its U.S. appliance business that showed that its product line could be integrated with Braun's appliance activities. Braun concurrently announced that it is appointing the Schwabel Corp. of Cambridge, MA, as its exclusive agent for marketing and distribution of this

line of appliances in the U.S.

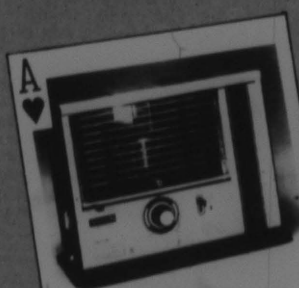
The Schwabel Corp. currently distributes Braun's line of personal care and household appliances.

#### Corning offers \$100,000 Pot Luck sweepstakes

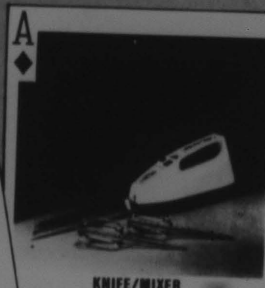
CORNING, NY—Corning Consumer Products is celebrating its 25th anniversary of Corning Ware cookware. To mark the event, the firm is conducting a \$100,000 "Pot Luck" sweepstakes and is offering 25 top Corning Ware products at special savings.

The sweepstakes consists of two consumer promotions.

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## STORE OPERATIONS/SECURITY WATCHWORDS

# Study this security checklist to make sure store's trouble spots are safe from thieves

By Diane Botnick, security editor

NEW YORK—A recently released report from the FBI shows that serious crimes decreased by about two percent from 1980 to 1981, in terms of number of crimes committed per 100,000 people. More good news is that murders dropped by 2.3 percent, and burglaries were down 0.5 percent, according to the annual report.

Before you breathe a collective sigh of relief, however, there's some not-so-good news. Robbery increased by 4.6 percent and larceny theft, which includes shoplifting, went up 0.6 percent. Over half, or 55 percent, of the people arrested for all reported crimes were under 25 years of age.

Leaving the causes and social significances to the criminologists, just what do these figures mean to you the retailer? What do they tell you about protecting your business this year and next? And do the current recession and accompanying unemployment hold increasing vulnerability?

Answering the last question, security consultant Norman Harris noted, "Not felony, but malicious, small crimes go up; pilferage goes up in a recessionary time."

This bit of news is not so surprising or disturbing as the rise in the number of robberies reported. Prob-

bly most, if not all, of you know of at least one retailer who was hit with a holdup last year and lost a substantial amount of inventory, cash, or worse.

Most likely you're also aware that precious little can be done to stop a robbery in progress—security experts will tell you to obey the holdup person's orders, to stay calm and to mentally note any characteristics which can later be recalled to describe the robber to the police.

The increase in robberies nationwide doesn't necessarily mean you're a likely target for a stickup. In fact, the most important indicator of security problems is the environment you create within your own business.

Set aside the crime statistics for a moment and take a good, hard look at your store to determine what the vulnerabilities are. This means surveying the physical premises and security, and the operational and management procedures.

Ask yourself how much profit you are losing to shrinkage, and what types of criminal activity account for the losses. It is the rare merchant who knows both the dollar amount of his business losses and the sources of shrinkage, so one practical way to estimate them would be to make well-informed judgments based on a store survey or checklist of potential trouble

spots in your operation.

From that you can find out which crimes you're most vulnerable to, and then plan a realistic and cost-effective loss-prevention program.

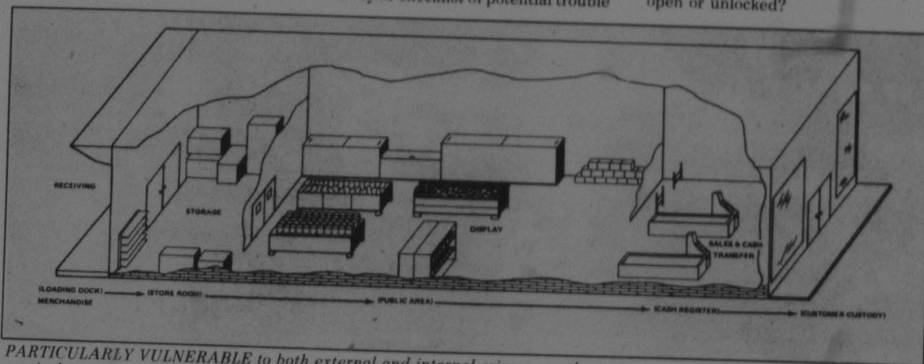
The specific areas of vulnerability have been noted in a helpful handbook—Security and the Small Business Retailer—and are:

- merchandise receiving areas,
- storage/inventory,
- display,
- sales area—where goods are paid for, and
- cash transfer—how money goes to the bank.

External and internal crimes can occur at any of these points. By going over the checklist below, you can reasonably guess how likely the incidence of the particular crime is for your business.

For robbery, ask yourself:

- ☐ Is your business in an isolated area, open late or after dark, or known to keep a substantial amount of cash or valuables on the premises?
- ☐ Do you have a set routine for cash transfer?
- ☐ Do posters and displays block a view of the cash register from outside, and block employees' view of outside?
- ☐ Is the store entrance near the cash register; is the cash register easy to open or unlocked?



PARTICULARLY VULNERABLE to both external and internal crimes are the areas pictured above. Retailers should pay particular attention to safeguarding these points.

## Specialists averaged \$1.4 million per location in '82

(Continued from page 56)

sell \$3,000 computers. It would be logical, she added, for such stores "to get into this more heavily."

Based on a study of 1,350 computer specialty stores, Future Computing pegged 1982 sales per location at \$1.4 million. This reflects a 48 percent jump over 1981's figure of \$938,000. Sales per location figures for 1980 and 1979 were, respectively, \$771,000 and \$663,000.

"Consumer computers," pointed out Isaacson, "are becoming increas-

ingly less important to computer stores." Such products accounted for 9.5 percent of all units sold in a computer store, equivalent to 2.3 percent of dollar sales.

In all, there were 1.5 million home computers sold in 1982. Some simple calculations show that the average price of a unit sold was around \$600.

Commodore's Michael Tomczyk said that mass merchants have yet to discover the system approach. A VIC 20 basic unit, he illustrated, along with disk drive, printer modem

and other equipment could result in a total sale exceeding \$1,100.

Over the next two years, Tomczyk stressed, mass merchants will be experimenting with the computer business. Their results will be more favorable, he predicted, if they follow five computer merchandising rules:

1. Turn the system on and leave it running.
2. Use available videotapes as "surrogate experts" to inform consumers about product features.
3. Stock peripherals.
4. Sponsor programming seminars.
5. Prepare to handle larger computers.

During this same two-year period, added Tomczyk, computer specialty stores "have to learn how to co-exist" with mass merchants. It is a time when specialists should be building on their strengths, such as service, product expertise, and willingness to sell by offering demonstration and practical orientation to customers.

☐ Do your business doors open two ways?

☐ Is the light level in the store much higher or lower than it is outside?

☐ Is the parking lot near a thoroughfare?

All "yes" responses contribute to the attractiveness of your store as an easy mark for robbers.

Looking now at the other offense reportedly on the rise, shoplifting, the following questions need to be answered:

☐ Are the selling areas crowded and congested, providing a cover for thieves?

☐ Are merchandise displays and racks so high that they block employees' vision across aisles?

☐ Are items arranged in no particular order so a missing piece can't be spotted immediately?

☐ Have you decided not to bother with checking customers' parcels and greeting each customer as he or she enters the store?

☐ Are your employees ignorant about the ways shoplifters operate, or what to do if they see someone stealing?

Again, any "yes" responses should alert you to the weak spots in your store's environment, regarding shoplifting.

Although burglary is apparently less likely to occur than shoplifting, the resulting losses are usually much greater. Here are some questions the burglar might ask about your store, and so should you:

☐ Have any access points (vents, windows, doors) been left uncovered or unprotected?

☐ Are there pieces of equipment outside and around the store that can be used to gain access; can foliage and debris near the store provide cover for the burglar?

☐ Is it obvious there is valuable merchandise inside, yet no signs that the retailer has taken precautions to protect it?

☐ Do you lack a well-lighted business exterior or parking lot?

☐ Can the safe be moved and is it hidden from view (to outside)?

☐ Can the hinge pins be removed from the exterior doors?

### Create an environment

All "yes" answers are invitations to the burglar to break and enter your premises and help himself, regardless of whether or not the number of burglaries nationally is decreasing.

By reducing the attractiveness of your business to criminal attack and making the performance of any crime too difficult for the crook to bother with, you are creating a protective environment you can count on.

Retailers who must cut back on staff and other overhead expenses should choose their area of most serious vulnerability to concentrate on protecting. This decision should be based on business priorities and the history of the store, in terms of crime. What losses are you willing to absorb?

What counts are not so much the national statistics on crime as your tactics—against all odds—to let both the public and employees know you mean business.

Recommended reading for further details on a self-survey for security is Security and the Small Business Retailer, a handbook produced for the U.S. Department of Justice, and for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Refer to Stock Number 027-000-00765-1.

## Tech Computer discounts 'family system' by \$1,005

BOSTON—Customers could save \$1,005 on a "complete family system" computer package at Tech Computer Store, said a Nov. 16, 1982 ad in the Boston Globe. An added premium for the buyer was the \$200 in free software and training offered. The final price on the Apple-

based system was \$2,395.

Included in the package was the Apple II Plus, Disk II Drive, Apple III monitor, stand, AppleWriter software and a 15-month warranty. The ad stated that financing was available and MasterCard, VISA and American Express credit cards were accepted.

A GRALLA PUBLICATION

# Merchandising

FEBRUARY 1983

**Home and Auto Electronics • Housewares • Major Appliances**

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS



## Sizzling CES Kicks Off '83 With a Bang!

LAS VEGAS — Crowded aisles, booths jammed through the last day, weary but excited dealers and vendors: all bore testament to one

of the most dynamic Winter Consumer Electronics Shows in recent memory. Retailers, coming out of a fourth quarter that gener-

ated better-than-expected action in video, personal electronics and even audio, came to Las Vegas ready to buy.

## HOUSING SALES SPRING TO LIFE

And government economists predict a seven percent jump in appliance shipments in '83

## VIDEOGAMES and COMPUTERS

Are they dangerous?  
What's hot in software?  
Who designs those games?  
Can the Muppets make it?

Will they last?  
How should I sell them?  
Has Julie Andrews sold out?  
Where are the best profits?

...the answers start on page 31

## Vendors jazz up kitchen electrics with a snazzy new European look

Style was everything at the Housewares Show as sophisticated designs hid a lack of innovation

Wood works wonders in

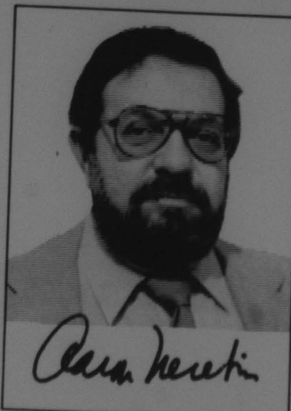
## WALL CLOCKS

where the sales soar while prices plummet

New entries energize microwave cookware

## CES, NHMA, HOME BUILDERS' SHOW PRODUCT REPORT





## Editorially Speaking

# The CES was like a shot of adrenalin; are we programmed for computers?

I was standing next to the *Merchandising* booth at the recent Consumer Electronics Show with a glow on that even a first-time father might find difficult to rival. Below me, in virtually every exhibit aisle, seas of bobbing heads moved slowly from one aisle to another, diverting frequently into booths already crowded with lookers, shoppers and buyers.

As I verbalized my excitement to some of the *Merchandising* staff, Lee Rath, our editor, put his hand on my shoulder. "I bet I know where your next column is coming from."

Right on!

After a very depressing 1982 and an anticipated slow CES to start 1983, the crowds which descended on Las Vegas represented the biggest high that the industry and I have experienced in over a decade.

Everything and everyone was upbeat.

The exhibit booths were jammed with buyers looking to replenish Christmas-depleted stock. The suppliers' suites were like revolving doors in continuous action, as buyers made the rounds to firm up previously made deals, to increase the size of the deals or to simply make fresh ones.

I can't remember talking to so many retailers with so many positive things to say. Their businesses picked up dramatically in the past few months and they were looking to keep the momentum going.

And the suppliers!

The last time I heard "we're back ordered" was so long ago that it can barely be remembered. And, frequently, when remembered, we were never too sure that it was really the case.

What a difference a few months make.

I believe it all. Back orders in color TV's and VCR's were mentioned enough to be taken seriously. Sellouts in other product categories (boomboxes, mini-radios, etc.) were reported by quite a few retailers. Even audio hifi, which has fallen on hard times in recent years, seems to be on the verge of a dramatic upward breakthrough. And the new autostands blew everyone out.

All told the experience was exhilarating and almost overwhelming. We hope that this start of 1983 was just the beginning of a well deserved upward spiral for all industries.

As for us, it is pure pleasure to be able to write with gusto about an industry that needs all the gusto it can get.

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Is there anyone around now who doesn't believe that the home and personal computer is here to stay as a viable part of our retail businesses? Is there also anyone around now who didn't leave the Consumer Electronics Show a little more confused about computers and his role in their marketing than when he arrived?

These computers may still involve a game-playing function but their pri-

mary thrust is now far more esoteric. They're accompanied by loads of tape and disk software to provide word processing functions, financial systems, management applications, home budget guidance and other uses which make one's mouth water. And more software is being added to the mix daily. Some 39 exhibitors displayed personal computers which range from hand-held models to attache case sizes to the traditional keyboard style.

And the software and peripherals! Some 56 firms showed accessories; 25 showed peripherals, and 31 displayed software.

These goods are not simply turn-a-switch-and-watch-a-picture-or-record-a-picture-or-listen-to-music. These are interaction products that require hands-on treatment by both retailers and consumers. Even some of the reps in the various computer booths were having trouble demonstrating the equipment.

The products themselves, the apparent profusion of intricacies, the requirements for understanding both the hardware and software applications, the terminology itself and the sudden profusion of brands getting into the act have all served to make a number of retailers back off. They want in but they're not quite sure what they want in to.

It would seem to behoove the computer and computer software and peripherals suppliers to provide as

(Continued on page 88)



## From the Capital

# Pent-up demand, lower interest rates to fuel appliance purchases, says Commerce Dept.

Government economists are convinced that the housing market is bouncing back from its disastrous slump, and that with the upturn will come an improvement in the sales of household consumer durables.

The Commerce Department expects housing starts to climb by a significant 21 percent this year from the mere 625,000 racked up in 1982, fueled primarily by falling mortgage interest rates. Washington financial analysts believe that mortgage rates will stay at the current 12 to 13 percent level for some time to come, and that buyers will quickly understand that they cannot hope to get further financing bargains by waiting longer to make a deal.

At the same time, new house prices are climbing steeply—the average across the nation in November was a whopping \$4,900 above the October figure—which gives realtors a talking point when selling to families trying to decide whether to buy now or wait. Month-to-month new house sales improved for most of the last half of last year, adding support to the Administration's contention that the turnaround is real.

John M. Harris of the Office of Consumer Goods in Commerce's Bureau of Industrial Economics (BIE) predicts that the improvement in housing will lead directly to hyped sales for household appliances. But even more sales zest will come from replacement of outdated equipment, he said. "Most appliances have a

useful life of 10 to 15 years; after that time, it is usually more economical to replace old appliances than to repair them," he noted. "During the past few years, however, because of the stretched budgets of consumers, more potential buyers have been repairing their old appliances instead of purchasing new ones."

He now sees that pent-up demand leading to a sales surge, especially as interest rates fall and buying on time becomes less expensive. Overall, he sees shipments of appliances rising almost seven percent this year, after adjustments for inflation.

E. MacDonald Nyher, Harris' counterpart in the BIE Electronics Division, expects a similar surge in video and audio sales, as consumers gain economic confidence and trade up from older sets. Comb filters to enhance image resolution, solid-state circuitry, remote control and electronic tuning will, Nyher foresees, be the big factors behind the trading up.

He anticipates imports from Canada and the Orient jumping 15 percent this year, while domestic production overall steps up three percent or so. The major boom he predicts is in videocassette recorders, where he sees the inflow of units from Japan rising 25 percent, to a value of \$1.36 billion. Videogames will continue to grow, he said, but at a slower pace than in 1982.

**SHORT TAKES:** Compliance with the binder requirements of the Federal Trade Commission's (FTC) rules

on appliance warranties has been made easier than the agency wanted. In a test case, the U.S. Court of Appeals in San Francisco refused to endorse all of the FTC's order against Montgomery Ward for violating warranty regulations.

The FTC had zeroed in on Ward's in order to set standards for all retailers on how to comply with the requirement that shoppers have "ready access" to warranty information before they make a final buying decision. In essence, the outcome of the count test defines how far the agency can go against other merchants.

The Commission made two demands of the big retail chain: that it have at least one set of warranty binders on each sales floor of a multi-floor store, and that every department selling warranted merchandise display a sign telling customers where to find the binders. The store fought both aspects of the order in the appeals court.

The judges found the binder-per-floor order reasonable, and upheld the Commission on that point. But they said the regulators had "no basis" for requiring a sign in each department, and that all the Commission's own rules meant is at least one sign per store.

The court decision invites the Commission to toughen its basic rule if it wants a sign-in-every-department standard, but given the present tone at the agency, such an amendment is unlikely.

## PERSONAL ELECTRONICS

# Electronic typewriters will cause sales to skyrocket in '83

By Debbie Rosenblum, field editor

LAS VEGAS—Thanks in large part to the home computer boom, the typewriter business has gotten a much needed shot in the arm and will undergo a major facelift over the next few years. That's the consensus of vendors interviewed at the Winter Consumer Electronics Show.

They told *Merchandising* that sales will skyrocket in 1983 as much as 100 percent. Leading this latest growth curve will be the new electronic typewriters with memories, multi-function features and, most importantly, interfacing capabilities.

Why? Because these high-tech models offer consumers two products—a letter-quality printer and a typewriter—in one package.

But as fast as the electronic models pick up steam, sales of electrics will decline. In fact, manufacturers forecasted that electronics will eventually replace electrics, making them totally obsolete.

Unlike typewriters, calculators are not expected to experience much growth this year—perhaps five percent. Market saturation and the introduction of hand-held computers are key factors contributing to the category's stunted state.

Vendors anticipate that high-end units—those retailing for more than \$100—will gradually fall to the way-side as hand-held computers come down in price.

Solar, which has already made an impressive dent in the market, will continue to be the best selling calculator. The main reason for solar's dominance is eroding price points, manufacturers noted. Consumers today can buy a solar model for not much more than a battery unit. Plus one vendor hopes to revolutionize the calculator business with the introduction of a flexible solar unit.

### Electronic typewriters soar

"The basic consumer typewriter business has been flat for the past couple of years. With the advent of home computers and their popularity, electronic typewriters which interface will mushroom," said Martin Melnick, director of marketing, Royal Business Machines.

"The average consumer today has or intends to buy a home computer," he explained. "That consumer knows he no longer has to go out and buy a printer and a typewriter. He's in the market for an interfaceable typewriter which serves both functions."

Industrywide, Melnick expects total

dollars spent on these electronic models to more than double this year. Electro-mechanicals, however, will experience a rather drastic decline. "They'll decrease about 20 percent in unit volume," he predicted. "Eventually, they'll be replaced by the electronic typewriters. There simply won't be an electro-mechanical market."

But before electrics become obsolete, the retails on electronics will have to drop to a comparable level. "The most successful price points for electro-mechanicals is under \$199," Melnick said. "By this summer, we'll be seeing electronics discounted that low."

One such typewriter which will fit that price point is the Royal Beta 1000 which features a standard keyboard and interfaces with a wide selection of home computers. Plus the unit is battery operated and weighs under eight lbs. for total portability.

Another trend which Melnick sees emerging involves the high-end electronic typewriters. "They'll easily replace some of the \$6,000 to \$12,000 commercial word processors. Why should people spend that kind of money when they can get an electronic typewriter for \$850 and use that as their word processor?" he queried.

"There's no question that the growth of home computers is stimulating high-end typewriter sales," said Hal Fair, national product coordinator, Brother International Corp. "Printers don't produce letter quality whereas interfaceable electronic typewriters do."

He agreed with Melnick that "electronics will overtake electrics within the next five years, probably sooner. People who own a computer aren't going to spend X amount of dollars for a printer and X amount for a typewriter if they don't have to. They're looking for the most value for their money."

To capture its share of the market, Brother is embarking on "our most extensive advertising program ever," Fair reported. "We'll have ads running in *Playboy*, *People*, the *Wall Street Journal*, *Time*, *Newsweek*, *Sports Illustrated* and others for our three new models." These are the EP-20, Correctronic 40 and Correctronic 50. All ads will feature the fact that Brother is the official typewriter of the '84 Olympic Games.

In addition, the vendor is offering point-of-purchase displays for all three products "to attract consumer attention in the store," Fair said.

Donald Clark, national sales manager of consumer products, Olympia USA, also cited the home computer boom as the stimulus for burgeoning electronic typewriter sales. "The category will explode," he said, "because typewriters which interface offer consumers two office products in one. They serve both as a letter-quality printer and as a typewriter."

Consequently, "electronics will replace electrics in the not-too-distant future. I'd say within three years, electro-mechanicals will die. They'll be completely off the market," Clark projected.

Although electronic typewriters with interfacing capabilities are in their infancy, that doesn't mean sales will automatically materialize. "Dealers have to advertise the typewriters, and the interfacing capability should be a key part of the ad," Melnick



COMPUTER COMPATIBILITY will cause sales of electronic typewriters to mushroom this year, notes Martin Melnick, director of marketing, Royal Business Machines.

offered as advice.

### Calc sales slack

Unfortunately, the picture doesn't look as bright for calculators. "We think the industry will see a five percent increase in the number of units sold this year, but a 10 percent decrease in dollar volume because of price erosion," projected Harold Tullman, vice president of marketing and sales, Aurora.

"Since 1980, the market's been saturated," he explained. "Calculators have become strictly a replacement business."

William Turner, president, consumer group, Texas Instruments, offered the same analysis. "In a down economy, replacement products like calculators aren't readily purchased. Last year, sales were down 15 percent industrywide. That's in dollars," he reported.

Another factor which is expected to affect the calculator business is the growing popularity of hand-held computers. "In a couple years, the over \$100 calculator business won't exist," Turner forecasted. "By 1985, retails for the hand-held computers will be down to \$50, and the high-end calculators will be a thing of the past."

All vendors cited solar as the style which will fare best in '83. "Solars are definitely gaining strength," said Thomas Laule, national sales manager, Novus Electronics. "Our greatest increase last year was in solar. This year, we expect to do even better."

"Around 75 percent of the total hand-held business this year will be in solar units retailing for under \$15," Turner said. Royal's Melnick made a similar prediction. "We project an increase in sales through 1983 when solars will reach about 60 percent of the market share in hand-helds."

He continued, "The price difference between solar and battery-operated units is less than 20 percent. Consumers know they can more than make up the difference with solar because they won't ever have to buy batteries."

Tullman agreed, "Within the next couple years, prices of solar calculators will be the same as the low-end battery units. The typical consumer is not going to spend his dollars on a calculator plus batteries when he can get a life-long solar unit."

While no vendors anticipate much

market growth this year, they still plan to get their share of the business via new products and a variety of promotional programs.

Technico hopes to revolutionize the calculator business with the debut of a flexible solar calculator. Tagged Flex-O-Calc, the new unit is almost as thin as a credit card and flexes like a credit card without cracking. The manufacturer overcame the breakage problem with the development of a plastic LCD display panel. Suggested retail will be just below \$20.

"The flexible calculator will have as major an impact on the calculator market as resulted from the 1977 introduction of liquid crystal displays," declared Robert Cheng, president of Inventa, Technico's parent company.

"Many people carry calculators in their wallets or back pockets where they often are broken. People drop their wallets. People sit on their calculators," he noted. "We feel there's a great need for flexible calculators."

Canon plans to run a number of in-store promotions throughout the year. "For example, we're giving consumers a \$6.95 hand-held calculator from February through April with the purchase of several printers," reported Abe Bleich, the firm's eastern regional sales manager, consumer calculator division.

Aurora has a point-of-purchase display available at no charge. The promotion piece holds seven calculators, and retailers can request any mix they wish.

Among Novus' marketing efforts are dealer incentives and redesigned blister packages for carded merchandise. The new package graphics sport a futuristic look with bright, bold colors.

**What's the hottest category in personal electronics today?**

**Personal Computers!**

**Where do you find out how to cash in on their popularity?**

**May MERCHANDISING!**

**Coming to your office soon!**



THE END IS NEAR for electro-mechanical typewriters, says Donald Clark, national sales manager of consumer products, Olympia USA.

SPOTLIGHT ON  
NEW PATTERNS  
FOR PROFITS

# Merchandising VIDEOGAMES AND COMPUTERS

## Licensing is the name of the pre-selling game

By Dianne Green, contributing editor  
and Anne Krueger, section editor

**HOLLYWOOD**—Rocky battles the champ, Mr. Bill gets squashed, M\*A\*S\*H characters furiously rescue the wounded and the Pink Panther strikes again—all in new home videogames slated for release in '83.

These characters, along with oodles of others—Mr. T, Alvin and the Chipmunks, Popeye, the Muppets, James Bond, the cast from Dallas,

Snoopy, Mickey Mouse, Spiderman, the rock band Journey—join the long list of new videogame stars resulting from movie, TV, cartoon, arcade or other kinds of licenses.

Arcade game licenses and some movie adaptations were around in home versions in '82, but especially since E.T. phoned home for Atari (with less-than-expected success but lots of hype), the videogame industry increasingly has turned to licensing

entities to help pre-sell its products. Many manufacturers hope the license affiliation will help the game stand out among the burgeoning crowd of software titles and win instant customer favor.

It doesn't always work that way, however. Licensed properties are expensive and the home versions haven't always lived up to manufacturer, retailer and, especially important, consumer expectations. For instance, Joel Gilgoff, president of G.A.M.E.S., a Van Nuys, CA, chain, called Atari's home game adaptation of the movie E.T. "a dog."

"Those people who think movies are going to make sales are crazy," he told *Merchandising*. "Kids are discerning. They know which games have good play. Pitfall, the top-selling cartridge in the country, is not based on a movie. People who spend \$5½ million on a license are throwing their money away."

While a spokesperson for a southern California catalog showroom reports E.T. is doing reasonably well, in his opinion licensed games are being over-merchandised. The crux of the problem, he explained, is "people are being led to believe they (licensed games) contain more graphics, story features and variations than they actually do," he said. "We're seeing a lot of attempted returns, so we don't buy unless we test the games first and are happy with the graphics."

A spokesperson at Atari admitted translating movies into videogames is

not easy and reported, other than E.T., no movie licenses are planned. Instead, Atari is going after a younger audience with games involving characters licensed from the Sesame Street television series, the Peanuts comic strip, the Walt Disney studio and Jim Henson's Muppets.

Still, the licensing business is big business, and some videogame manu-

(Continued on page 34)

## Software makers aim edu-games at kids' market

By Bill DeSiena, consulting editor

**LAS VEGAS**—Picture this: Junior goes into a store and instead of spending his savings on candy, gum, comics or even a videogame, he happily purchases a children's learning tool. Sound too good to be true?

Not when an educational software program is camouflaged in a stimulating format. A case in point: Microzine. The new bi-monthly magazine from Scholastic, Inc. is aimed at eight- to 13-year-old Apple II users and is a current indicator of where the industry sees educational computer software headed. Having evolved from



CLOSE TO 80,000 VISITORS trekked through the Las Vegas CES last month. Many were on the lookout for what was hot, and what was not, in videogame and computer hardware and software.

## Heightened technology and consumer savvy have game manufacturers upgrading in a hurry

By Anne Krueger, section editor

**NEW YORK**—A few years back, manufacturers didn't go out of their way to let consumers know videogames essentially were computers. They guessed right when they figured the majority of consumers weren't mentally prepared for the idea of a computer in the home, even one that just played games.

Fast forward the scene to today and quick improvements in computer technology and increased consumer

savvy have changed all that. Companies have responded to these developments differently, some taking the tack of offering a game expandable to a computer, others selling a computer that has games. Either way, the merging of the two categories is evident:

- Coleco came out with ColecoVision billed as an expandable videogame system in '82, and priced in the mid-range—more than the Atari VCS, less than Intellivision. Hardware

modules turning the system into a 32K computer will be showcased at the June CES.

- Odyssey, NAP Consumer Electronics Corp., dropped the price of its Odyssey 2 to less than \$100 and intro'd its Odyssey Command Center videogame console with keyboard at the old Odyssey 2 price point of less than \$200.

- Mattel did everything at once: introduced a more-compact, less ex-

(Continued on page 56)



AIMING TO TEACH and entertain is Scholastic, Inc.'s bi-monthly Microzine magazine for young Apple users.

programming strictly remedial and tutorial in nature, the industry now is designing learning programs and games that entertain junior.

And because learning must be fun,  
(Continued on page 49)





# THE BEST REASON TO STOCK TIMEX TODAY... IS TIMEX TOMORROW.

In a few short months, the Timex Computer Corporation has made quite a name for itself.

The Timex Sinclair 1000,<sup>TM</sup> with its unique master chip design, is already one of this year's biggest success stories.

Obviously, Timex is into computers for real. And when you compare our turn and margin with that of other manufacturers, you'll see how much Timex can mean to you.

Now and in the future.

## NEW COMPUTERS

In 1983, Timex will introduce an exciting new series of technologically advanced and highly affordable computer products.

Each of them designed to

meet growing consumer needs ... and to keep Timex on the leading edge of computer product development.

## NEW SYSTEMS

In addition to new computers, Timex will also present fully integrated computer systems featuring new accessories that will make your Timex retail program complete.

And the more complete the system, the more profit in it for you. Because a customer who is pleased with your product selection will show his loyalty by coming back for more business.

## NEW SUPPORT

Behind all these new products, Timex plans one of the strongest

advertising programs in the industry. In network and spot television, as well as newspaper and some of the most widely read magazines in the country.

And the merchandising program is also stronger and more comprehensive than ever, making your job all that much easier.

As you get ready to stock your shelves for next year, remember the Timex Computer Corporation has made a powerful commitment to you.

Now and in the future.

**TIMEX<sup>®</sup>**  
**A POWERFUL NEW NAME**  
**IN COMPUTERS.**



# MERCHANDISING VIDEOGAMES & COMPUTERS

## NEWS LINES

**NEW YORK**—Are videogames serious business? About 300 attended a day-long videogame seminar held at Columbia's Morningside Heights campus and co-sponsored by Columbia University and Atari Research to find out. The attendees—gung-ho computer science students, avid game players, industry representatives, the press and Ralph Baer (the "Godfather of videogames")—seemed to think videogames/computer games are here to stay.

Steve Mayer, Atari's vice president of research and development; Chris Crawford, manager of Atari's game research group; creative consultant Chris Cerf, and Warren Robinett, co-founder of children's software-maker The Learning Company, were the speakers.

Steve Mayer, who was a principal in the creation of the VCS, took the crowd through Atari's history and hinted at the videogame future: games involving holography and cable TV as a videogame vehicle. Chris Crawford, another Atari staffer from the start, humorously compared computer/videogames to other art forms: literature, film, food, candy, cartoons and comics. His point was the games are stimulating but represent only a small slice of what's to come. Said Crawford, "Computer games will develop into a fantastic art form, but not overnight."

Ex-Atari designer Warren Robinett has designed several children's computer games, each explaining a subject (including digital logic) to children that many had thought could be taught only at a university level. Chris Cerf also has spent much time working with children's programs. Most recently he worked with Muppet-creator Jim Henson and designers at Sierra On-Line Software to help develop a children's computer game based on the movie *The Dark Crystal*. He expressed his excitement about the prospect of

media people, musicians, and writers joining together as they gradually discover the compatibility of computer games and more traditional forms of communication.

**NEW YORK**—Recoton actively pursues the TV game/computer accessory market with its introduction of a line of computer dust covers and joystick attachments. Six dust cover models are available for Atari, Apple, Commodore and Radio Shack computer models. For those consumers wanting a more arcade feel to their at-home controllers, Recoton intros Arcade Spheres, orbs which lock over Atari-style joysticks to give a firmer grip. The company also markets a line of replacement cables for Atari joysticks.

**LOS ANGELES**—Nine to 12 home videogame releases are scheduled this year from a new industry entry: Sega Consumer Products. Sega, a coin-op company almost totally owned by Paramount Home Video, introduced *Star Trek II: The Wrath of Khan*, *Tac/Scan* and *Subterfuge* at the Winter CES. The games are compatible with the Atari VCS and Sears Video Arcade systems. Company officials hope to nab \$40 to \$50 million in sales billings the first year and plan to rely heavily on pre-sold titles available via the company's association with Paramount Pictures Corp.

**LAS VEGAS**—Human voice recognition in a home computer is now available via a Milton Bradley Co. and Texas Instruments, Inc. development. Voice recognition, plus voice synthesis, will be made available for the TI 99/4A home computer through the use of a plug-in peripheral developed by Milton Bradley. The peripheral will be sold with 64-position keypad with overlays for each cartridge; a precision, three-axis joystick, and headset microphone for the voice-command function. Software will include videogames and learning cartridges.

**SUNNYVALE**—Seven years of non-competition are up for Nolan Bushnell, King of Pong and ex-Atari prez. While at the CES with his Androbot computer peripherals, he announced Pizza Time Theatres (his \$70-million arcade/restaurant biz) had purchased Videac, the coin-op game manufacturer. Who knows what video innovations—home or arcade—Bushnell has up his sleeve now?

**NEW YORK**—First Star Software expects to market videogames featured in two films now in production. Future Gold and Arcade films being produced by First Star's parent company, Pona Star Entertainment, both feature plots revolving in some way around videogames. The company plans to develop the games for release at the same time as the movies. First Star currently has *Astro Chase* and *Cosmic Squeeze* on the market for the Atari 800 but plans games for the VCS and other home computers.

**MOUNTAIN VIEW, CA**—Optimism best describes Activision's '83 stance. The software-maker's president, Jim Levy, reported the three-year-old company had a nine-month sales figure of more than \$100 million, and has grown from five designers a year ago to the network of 31 announced at CES. "The

introduction of our expanded design team is the biggest indication of what will happen in '83," Levy said. "It shows our creative development." In addition to its Mountain View location, Activision now has design centers in New Jersey, Massachusetts and northern and southern California.

## Time to 'wait and see' is past

As expected, the videogame/computer arena was the shining star at last month's Winter CES. Manufacturers and retailers may have gone home footsore and weary, but optimism was unflagging. More videogame/computer companies than ever before exhibited, more new products were intro'd or showcased, and more systems/software compatible with other systems/software was announced. Even some shaky companies that industry sources predicted wouldn't make the new year hung in there. And although traffic at Astrocade and Games by Apollo (both have filed for Chapter 11) was slow, the only notable biting the dust at the show was the controversial Custer's Revenge adult game. Few tears were shed over that.

When *Merchandising* put together its first *Merchandising Videogames* section last summer, who knew where the videogame trend would lead? Six months later, *Merchandising Videogames/Part II* is here. And in May, under the guidance of resident computer expert Bill DeSiena, *Merchandising* will publish a nuts-and-bolts computer guide to help retailers successfully face the videogame/computer future.

### Industry predictions rosy

That future, according to Activision's Jim Levy, looks good. He predicted sales of entertainment software would increase 75 percent in 1983, creating a more than \$2 billion market at retail. He expects the number of game-playing computer systems in use to jump from 15 million to 25 million in the new year. And one third of the hardware sold this year will be home computers, he said. It's true many software companies at CES introduced computer-compatible software or spoke of plans to do so, but the VCS (and its ColecoVision and Intellivision counterparts) is expected to maintain good market share. A flurry of at-show game releases, while not all innovative or even interesting, by a long shot, at least indicate VCS' staying power for this year.

More computer growth statistics come from analysts at Future Computing, Inc. who predict the hardware market will grow from 4.5 million units last year to 12 million in '85. Personal computer software, Future Computing reported, is expected to grow from \$1 billion in sales last year to \$4.2 billion in '85. The percentage of the total market that is consoles will drop from 25 percent to 14 percent by '87; software and peripherals will grow into a larger portion of the total market.

The in-between videogame/computer category seen at-show is an interesting sign of the merging to come. Coleco expects to have the keyboard which expands its game machine into more of a computer on the market later this year. Atari's 5200 will be joined later in '83 by an advanced Mattel system: Intellivision III. Odyssey's new entry, renamed the Command Control Center (not Odyssey 3), joins the above in aiming at the not-quite-ready-for-a-BIG-computer customer, by providing better game play and more capability in a non-frightening format.

### Adopt kids' attitude

These kinds of industry predictions and optimistic product intros go far in heralding the steadfastness of this market. But of everything seen and tried on the CES floor—all the "state-of-the-art," "second-generation" and "leading-edge-of-technology" innovations—a 10-year-old youngster by the name of Rawson Stovall was the surest sign the videogame/computer age is upon us and here to stay. A videogame reporter for nine Texas newspapers and a business consultant for software-maker Imagic, Stovall exhibits the savvy, eagerness and smarts kids his age get from growing up in this technological age. He is not afraid.

Some of us big people, who grew up with potato—not microprocessor—chips, and who still have serious doubts we could master a computer or get anyone in our stores to buy one, should take Stovall's lead. One of manufacturers' and consumers' biggest complaints is—despite the obvious fact that this is more than a passing fad—scared retailers sit on the fence and don't fully commit to the videogame/computer category. The time has come to decide whether or not to get into the business for the long run.

Savvy retailers already are sponsoring videogame hardware trade-ins good toward a computer purchase. Many are advertising videogame systems together with computers to ease the technological transition for themselves and customers. Department stores such as Bamberger's and Macy's California have successfully incorporated full-fledged computer boutiques into their stores. And companies like Imagic are tuning into teenage (or younger) technophiles to monitor the heartbeat of the business, or are planning ways to increase consumer computer literacy. A packaged-goods approach to presenting computer products is around the corner and will make it easier for retailers to sell systems and for customers to buy.

But getting back down to earth, today's problems will continue: There will be shake-outs as today's videogame systems merge into more sophisticated computer formats. There will be more surprises on Wall Street. And there will be more products—hardware and software—introduced show after show, some that will fail miserably. But in the end, there will be Rawson Stovall, and the thousands (millions!) like him, lining up to buy the most sophisticated and best-merchandised computer products from those retailers who aren't afraid.

—A.K.

## MERCHANDISING VIDEOGAMES & COMPUTERS

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## Software manufacturers take licensing route

(Continued from page 31)

facturers (Parker Brothers, for instance) view it, despite its costs and risks, as their ticket to better sales.

### Capture audience imagination

"We spend a considerable amount of money on licensing because we feel it's very important. We think feature film identity is only important if you've got a game that delivers. We've tried to pick films that capture the imagination of our target audience—teens and children—who see these movies. If we can create a game that puts the child back into the experience of the movie we'll be successful," said Richard Stearns, Parker Brothers vice president of consumer electronics.

Every game Parker Brothers has released so far has been a license of some sort, added Jerry Thompson, director of video sales. "We believe licensed games are presold. Take a look at the market. With the exception of Pitfall, no other real hits are out there except licenses."

In another industry precedent, Data Age instituted a licensing role reversal at the recent CES when it turned over the arcade rights to Journey Escape to Bally-Midway. This is the first time a home game was licensed to a coin-op manufacturer.

Yet, with all this licensing action taking place, the company is proceeding with caution. "There are so many licensed products now, that licensed entities no longer carry clout. The license is only as valuable as the game inside the box," Dave Galli, marketing manager, said.

Data Age thinks it has struck gold again—this time with a game incorporating the Saturday Night Live (SNL) character Mr. Bill (Oh no-o-o-o-o) and a boxing game involving Rocky's nemesis Mr. T.

Walter Williams, an independent film producer from New Orleans who created Mr. Bill for SNL, licensed the character to Data Age. He and Data Age programmers will work together to create video images of Mr. Bill, his girlfriend Sally, his mother, Sluggo and Mr. Hands for Mr. Bill's Neighborhood.

It is scheduled for a May release. Gamers across the nation will have to aid Mr. Bill in collecting his family and escaping from his lousy neighborhood. Williams explained: "You are Mr. Bill. The game is a maze which scrolls vertically. Mr. Bill has to watch out for random cars which whiz by. He can run down different alleyways but sometimes they will turn into dead ends. The object is for Mr. Bill to collect his family."

Williams believes this is almost a risk-free license since Mr. Bill's graphics and the action are so easily transferrable to a videogame format.

Mr. T, the game featuring Mr. T, who starred in Rocky III, wasn't described. It will be available later this year, also for the Atari VCS.

### Pick classic characters

Another game, based on a classic character, the Pink Panther, will be released by U.S. Games in conjunction with the release of On the Trail of the Pink Panther, and on a second Pink Panther film MGM/United Artists now has in the works. U.S. Games licensed the home videogame rights to the Pink Panther character from the studio, although an earlier game based on the movie The Towering Inferno enjoyed only average success, according to Bob Ostrander, director of new ventures for the company.

In addition to the Pink Panther, MGM/UA has licensed several of its characters to videogame companies: James Bond to Parker Brothers, Roc-

ky and The Wizard of Oz to Coleco. The company currently is discussing the sale of its Tom & Jerry characters to another videogame company.

Rocky Battles the Champ features a new interactive quirk. When gamers make a direct hit using Coleco's new Super Action Controllers, an actual jolt will be felt in the slugger's hand.

Another company licensing movies, but emphasizing the characters in those movies, rather than the title alone in its computer games, is Sierra-On-Line Software. The firm licensed The Dark Crystal from Henson Associates. Computer software maker Datasoft, Inc. has obtained the license for the theme and characters of the Dallas TV show from Lorimar Productions.

"We anticipate computer software based on the theme and characters from the Dallas TV show will be runaway best sellers," Pat Ketchum, Datasoft president, said.

### M\*A\*S\*H intros in 6 formats

Another TV favorite, M\*A\*S\*H, will be the star of a Twentieth Century-Fox videogame to be released soon in six formats: Atari VCS, ColecoVision, Intellivision, Atari 400/800, TI 99/4A and VIC 20, reported Frank O'Connell, president and chief executive officer of Fox Video Games.

Fox already has introduced three other movie games: Mega Force, Fantastic Voyage and Alien, pointed out Al Pepper, vice president of marketing. "Fox owns more than 1,000 movie titles and numerous TV shows," he reminded. "In addition to M\*A\*S\*H, we'll introduce this quarter: The Fall Guy, a stunt game based on the popular TV series; Flash Gordon, a major movie license; 9 to 5, a secretary-boss shoot-out based on the hit movie and TV series, as well as non-licensed related games."



JAMIE FARR (at top left) is helping Fox's VP, marketing Al Pepper (top right) push the M\*A\*S\*H videogame. Jerry Thompson, Parker Bros. director of video sales (bottom left) thinks licenses are the way to go. Rob Hunter, CBS VP, is taking a more careful look at special applications of licenses.

Paramount Studios, owners of Sega Enterprises, leading arcade game manufacturers, reported it will release a trilogy of home videogames based on the Buck Rogers comic book character. The company introduced a Star Trek game into arcades last month, and will release a home videogame version by the end of March.

CBS Video Games, in conjunction with Ideal Toys, is creating a videogame based on Alvin and the Chipmunks. The game will be less aggressive than the regular shoot 'em up type of arcade game, according to Rob Hunter, vice president and general manager.

"We're really not looking at licensing unless we perceive a special application. We're not acquiring licenses for their promotional value," Hunter stated.

## The hills are alive with the sound of licensing . . .

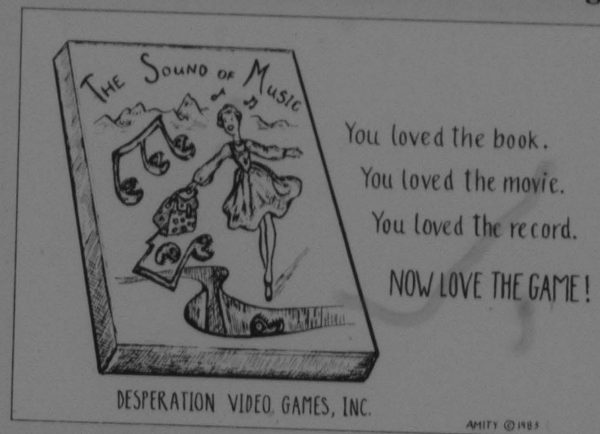
LOS ANGELES—Although licensing of movie titles for home videogames really has taken off, Merchandising can see it going a lot further.

### The Sound of Music

The object of this game is to get the singing Von Trapp family through the Alps to reach their goal—a recording contract and a starring role in a movie about their lives. Obstacles to their success are avalanches, pubescent Nazis, and laryngitis. As the family advances, we hear the familiar strains of Edelweiss. When its progress is halted, we hear Deutschland, Deutschland Über Alles. Dolby sound is optional. The manufacturers told Merchandising they are offering a premium with purchase—a life-size, rubber, inflatable Julie Andrews in Austrian national dress.

### My Dinner with Andre/Animal House

These two blockbusters are the inspiration for a single game cartridge designed to appeal to the widest possible market segment. Turn the cartridge one way and you get a game board that is an electronic reproduction of a five-star restaurant. Players watch pas-



sively as such gastronomic goodies as chocolate mousse and pate de foie gras float across the screen. The object is to watch for a full three hours without getting up to go to the refrigerator. Because the game graphics are so succulent, there wasn't enough memory left for action, so there is none in this game, the designers told Merchandising.

Turn the cartridge over, however, and the action is prime—prime rib—as the entire Animal House fraternity, led by an electronically simulated John Belushi, recreates the movie's infamous food fight scene. The object of the game is to hit the actors' faces with the food projectiles. For every actor hit, the machine lets out an electronically simulated belch. The

player with the most belches wins.

### The Godfather

For the first time, we see the videogame as a biography. The object of this game is to let the Godfather live out his fourscore and twenty years, making offers that people can't refuse. Players score from 100 to 500 points for each atrocity the Godfather commits. Graphic reproductions of a bloody horsehead against white bed sheets and the St. Valentine's Day Massacre are sure to entertain as well as horrify. In order to maximize sales, the manufacturers have deleted all ethnic references.

### Gone With the Wind

In this game, Scarlett O'Hara struggles singlehandedly to save Atlanta from burning. Players score 200 points for each bucket of water Scarlett carries from one end of the board to the other, while fending off the unwelcome advances of Yankee soldiers. When in a tight squeeze, she gets to call in Rhett Butler for help. But each time she does this, the player forfeits 400 points. Special effects include a medley of Stephen Foster tunes and a game board that lights up, resembling the bright, burning Atlanta sky.

—D. G.



**WARNING  
X-RATED  
STORY**

**LAS VEGAS**—Custer's Revenge, the much-discussed adult videogame, bit the dust here at the Winter CES when GameSource, a Canoga Park, CA-based firm took over the game's distribution rights from American Multiple Industries.

The game line, which also includes Bachelor Party and Beat 'Em and Eat 'Em games and was formerly known as Mystique, has been renamed Playaround, according to Richard Miller, GameSource spokesman.

"We will be discontinuing Custer's Revenge because we believe that although American Multiple's intent was to depict an entertaining, amusing scenario, the game came to symbolize rape and racism in the eyes of too many people," Miller said. "We are 100 percent in favor of good sexual fun between consenting video images, but no company would want to be associated with either racism or violence toward women; such themes have no place within the context of a videogame."

Playaround has taken additional steps to ensure its two games don't inadvertently fall into the hands of either children or adults who might find them offensive, Miller said, by putting warning copy on the box cover and suggesting the carts be displayed in locked cases.

But that's not enough, according to other software makers who believe X-rated videogames are a scourge to the business. "We deplore that kind of business," said Keith Schaeffer, senior vice president of sales, computer division, Atari. Atari has filed suit against pornographic game makers

**"There must be a line of separation between profits and morals."**

**Richard Hoag, Mattel**

stating they're a misuse of the Atari VCS machine. Since a game such as Custer's Revenge was playable on the Atari VCS, the company wants to make sure the public doesn't think Atari is involved or approves of the games.

Imagic's president Bill Grubb calls X-rated or pornographic videogames "extremely distasteful and a black eye. We will not be involved." And an indignant Richard Hoag, vice president, sales, Mattel, is quick to point out his company has been in the toy business a long time and created the wholesome Barbie Doll. He said, "There's a line of separation between profits and morals."

But retailer Ray Daly, The Program Store, Washington, DC, looks at the situation a little differently. He likens his treatment of sex-related games to that of a book store. "We wouldn't carry any real

## Porn games multiply but Custer's Revenge bites dust

pornographic/X-rated games, but might carry something that's educational, like a book store would."

Despite the general moral outrage, lawsuits, citizens' and women's groups banding together and some retailer resistance, a new company—GameX, Los Angeles, CA—thinks there's a market out there and has hit the scene with an introduction called X-Man. The company also has a game based on the movie Emmanuelle in the works.

According to Alan Roberts, president and creator of the X-Man concept, "This is a real game, fun and challenging with different complication levels. X-Man is not a



X-MAN IS A NEW adult videogame available from GameX. A beautiful female is the prize.

one-line joke or novelty. It's a real videogame where skill and brainpower both come into play."

Apparently X-Man must master an obstacle-loaded maze to reach his reward. This "reward," a beautiful female, awaits X-Man behind a closed door in the second part of the game. Once our hero gets through the door, the company claims "additional, and much more pleasant challenges, must be met. In both sections of the game, scoring depends on speed and performance."

In addition to the Emmanuelle videogame, the company plans a series of games that "talk."

—A. K.

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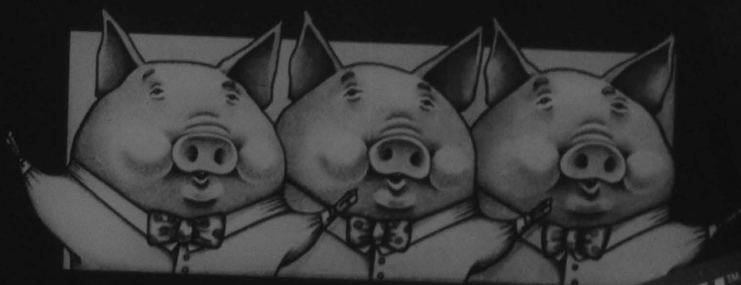
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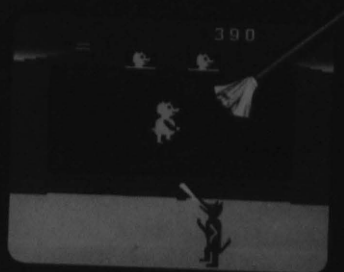


**T**hey say March either comes in like a lion or a lamb. Well, this year, it's coming in like three portly porkers and a wolf.

These oinkers better make sure their homeowner's insurance is in order. Because this wolf has cannon-breath, and he's aiming to blow down a few bungalows. First, one of straw, then one of wood, and then one of brick.

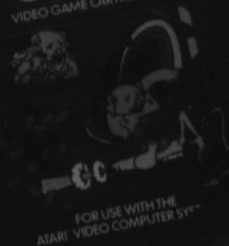
Will these portly porkers be able to repair the damage faster than the wolf can cause it?

A lot of people are going to want to find out what designer Mike Lorenzen has done to put a twist on this tale. Don't blow it. Make sure you've got a good supply of answers.



**OINK!**

ACTIVISION  
**OINK!**  
VIDEO GAME CARTRIDGE



**MARCH**

**A** shopping spree like you've never seen, and the villain isn't bothering to stop at the checkout counter.

Garry Kitchen combines the madcap laughs of an old-time movie with a challenging video chase. Lead your perplexed policeman on a mad dash through a chaotic department store to stop this greedy burglar.

Up and down escalators and elevators, through falling merchandise and runaway shopping carts, the stumbling, bumbling, fumbling chase is on.

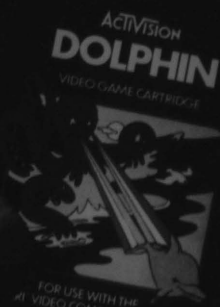
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VIDEO GAME CARTRIDGE

**APRIL**



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## MERCHANDISING VIDEOGAMES & COMPUTERS

# Winning a spot in the hearts of millions means big ad bucks

By Anne Krueger, section editor

**NEW YORK**—The software wars have escalated into the promo and advertising wars as game makers clamor (sometimes frantically) for retailer and consumer attention. Winning a spot in the hearts of millions is no small task—an estimated \$400 million will be spent on advertising by videogame/computer makers this year.

The majority of that pot buys TV advertising, those who spoke with *Merchandising* reported. Many also earmarked a hefty sum for promotions, like U.S. Games' Name that Game contest and Twentieth Century-Fox's M\*A\*S\*H blitz. But some, like Activision—which plans to spend more than \$40 million on advertising this year—will continue to budget expensive TV spots while searching for innovative alternatives to catch the consumer's eye.

### Activision innovates

The leadership companies in the videogame/computer business will be those that innovate, according to Activision's Frank Mainero, vice president, marketing. He mentions the company's eight-page Sunday newspaper supplement as an example of a more innovative method of attracting attention. The supplement hit 16½ million households on Dec. 26, '82 via papers such as the Chicago Tribune, Milwaukee Sentinel, Boston Globe, New York Times and LA Times. An additional five million were distributed at retail.

The supplement served several purposes, Mainero said. "It was designed to introduce Activision's



**"Leadership companies will innovate."**

Frank Mainero, Activision

River Raid and Spider Fighter games. It also exposed the reader to the whole catalog of Activision games. We wanted the reader to have fun, so we introduced our Space Shuttle contest in the section (Activision's contest awards a trip to the night-time launch of the Space Shuttle). And we provided them with a buy two games/get one free coupon that they could cut out, staple to sales receipt and send to us for the free game of their choice."

"It's that kind of innovation that's required, although TV advertising will be dominant in the next five years," Mainero continued. "As technology improves, though, so do we in

terms of marketing technology. Plus, to rely on traditional advertising/promotional routes is becoming too cost prohibitive."

The Activision advertising breakdown at present is divided into the usual TV (including cable), print and radio categories—in that order of spending. The company also plans some fast-food outlet tie-ins during 1983 and Mainero said it will continue to spotlight designer creativity in the "rock-star" manner it has become known for.

Other first-half '83 advertising/promotion plans:

- The Mattel rollout of the Aquarius home computer will be one of the most aggressive advertising/marketing campaigns ever, according to William Gillis, vice president and general manager for home computers. The splurge includes major network and spot TV advertising, cable TV, radio aimed at a teenage market, major consumer and trade magazine advertising and newspaper ads. The Aquarius brand campaign also will use display units positioned in major U.S. airports, Gillis said. George Plimpton again will appear in network and spot TV commercials for the Intellivision promotional push in '83.

- Almost \$50,000 in prizes will be given away in conjunction with Twentieth Century-Fox's M\*A\*S\*H promotional blitz, according to Frank O'Connell, Fox Home Video president. "We'll have a lot of fun with it," added the company's vice president of marketing, Al Pepper. "We'll give away jeeps, home computers, T-shirts and movie tickets."

Jamie Farr, who plays Sgt. Maxwell Klinger in the popular weekly show, will be the official Fox spokesman for the game.

- Telesys' Fast Foods commercial will be placed in prime and local markets for TV viewing, said Jack Woodman, company vice president. "The 30-second commercial is just one part of our long-term program committed to offering the dealer sell-through support at the local level," he said. "It also will be available to dealers to use as a 'tag' to their own local TV commercials."

- John Madden, celebrity football coach and TV announcer, has joined CBS Video Games as a spokesman. He was featured in the \$3 million kick-off campaign which aired TV commercials during the end of December and all through January. He also will appear in the Challenge of Champions TV campaign planned by CBS, and in the company's supporting print, radio and point-of-purchase materials.

According to vice president Rob Hunter, CBS advertising in '83 will continue to focus on the company's first two releases—Gorf and Wizard of Wor—until a new round of releases are introduced in March. Hunter claims CBS' ad budget is only topped by Atari and Mattel. Almost 85 percent of the CBS budget is spent on TV advertising. The other 15 percent will be spent on print advertising and point-of-purchase.

- An excess of \$40 million is expected to be spent on advertising in '83 at Parker Brothers, according to Jerry Thompson, director of video sales. "We planned to spend \$36 million before Q\*Bert and Popeye came along and before we announced we were getting into computer software (for Atari, Commodore, TI), so

we'll probably spend more than \$40 million," Thompson said. Nearly 85 percent of the budget buys TV advertising; of the 15 percent allotted to print, a small percentage will be tried on advertising in comic books.

- Name that game, and win \$10,000! That's the enticing theme of U.S. Games' spring promotion to be supported by counter cards and point-of-purchase materials, according to John Belden, vice president and general manager. Some \$50,000 will be given away in cash or game awards.

In the meantime, Jonathon Winters will appear on TV and in national magazine ads as U.S. Games' mascot.

U.S. Games also offers a money-back guarantee on its games as a customer assurance of quality, and allows retailers to send inventory back to manufacturers on a twice-yearly basis. "If retailers are having trouble moving a certain title, they can exchange it for something else," Belden explained.

- An expanded first quarter of advertising was announced by Coleco. The company will continue to promote its ColecoVision videogame system, emphasizing the expandability of the system. TV commercials touting Coleco's current games available for the Atari VCS and Intellivision units will continue while three new commercials promoting its new Coleco games—Donkey Kong Junior, Looping and Pepper II—will be aired. The company has contracted with John Dykstra, known for his special effects work on Star Wars and Battlestar Galactica, to help in the creation of TV commercials. Coleco's ad budget for '83 is twice that of '82.

- Imagic's \$10 million in advertising for '83 will be divided among prime TV, specific TV network, fringe prime, consumer and trade publications and very limited radio, a spokesperson said.

Imagic also plans more prizes and promotions this year (last year a Demon Attack contest took lucky participants to Bermuda). It is offering customers a two games for one lure and has introduced an Imagic video storage center and a new game previewer for retailers.

Twenty-four Atari-compatible games can be displayed in the previewer. To gain access to a particular game, customers press a button on the previewer.

- A "Save Mr. Bill" campaign will highlight Data Age's advertising/promo plans during the first half of this year. That promo will hit all media and be supported on the retail level later this year. The company also plans a contest in connection with its Bermuda Triangle game, the award being a trip to Bermuda. In the meantime, Data Age has planned advertising in trade and computer publications, teen spot radio, newspaper co-op promotions, billboard ads, spot and cable TV. A second media blitz is planned for its Journey Escape game when the band Journey goes on tour in the second quarter.



**10-year-old Imagic consultant is footsore but fancy-free**

**LAS VEGAS**—With all the diverse action on the CES floor, after a while you become hardened to the scantily-clad females hawking magazines and merchandise, the rambling fresh robots who always want a kiss and the cartoon and movie characters hyping various companies' products.

Still, when your eyes happen across a boyish breath of fresh air, you take a second gander. Who is this 10-year-old in the Imagic booth, rapping and zapping at the same time? The answer is Rawson Stovall: videogame reporter, entrepreneur, business consultant, game designer, lovable kid. More properly, Stovall is a diminutive southern gentleman with a quick "How do you do, pleased to meet you," and a remarkably firm handshake.

The author of *The Video Beat*, a column for video enthusiasts which appears in nine Texas newspapers including his hometown Abilene Reporter, Stovall got into the writing business in second grade when he finished a children's book. He nonchalantly admits "it's still lying around on the shelf gathering dust," but his career has since taken off.

Besides writing his weekly column on various videogame topics including trends, new games, local high scores and tips, he's a consultant to software-maker Imagic. This relationship blossomed after Stovall approached the company with his design for a videogame called Jumping Jellybeans. He told *Merchandising*, "Imagic has rules they can't take videogame ideas from other people on the outside. So, I'm not under contract with them, but I help them out." At CES, Stovall was demonstrating new Imagic games and generally attracting attention. He thought the show was "very exciting," but like all the big people, his feet hurt.

—A.K.

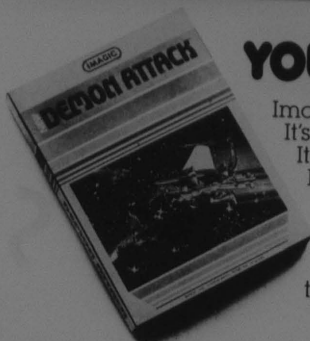
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## CES intros target healthy controller aftermarket

By Jenni Stern, contributing editor

**LAS VEGAS**—Videogame fiends are known to be rough on joysticks. Because of their fierce exertions, the game controller aftermarket is growing steadily. No shake-out can be seen here yet: Analysts at Future Computing, Inc. expect the joystick market to grow from its \$27 million in sales last year to \$212 million in 1987.

A dozen or so companies displayed their newfangled models to dealers at last month's CES. Joysticks, analog joysticks, trackballs, touch pad controllers and cordless joysticks (see accompanying article) all are available now for the home market. Although most have been designed for the Atari VCS, many companies now are creating controllers for ColecoVision and for several home computers.

What follows is a rundown of companies displaying controllers at the CES—their equipment, prices, warranty offers and advertising and dealer support plans.

### Wico expands line

**Wico Corp.** entered the market in home game controllers at the June CES. Although this is Wico's first foray into consumer products, the Niles, IL-based company manufactures controls for over 500 arcade games.

Wico introduced 11 new products to its existing 12-sku Command Control line at the CES. The new entries include:

- Analog joysticks (models 50-1010, 50-1030, 50-0110 and 50-1040). Four analog joysticks now are available to interface with the Radio Shack TRS-80 Color II, the Apple II, the IBM Personal Computer and the Atari 5200. They retail for a suggested \$49.95, \$69.95, \$69.95 and \$59.95 (the 5200 package includes a key pad).

- Three-Way Deluxe Joystick (model 50-2010). This \$44.95 model features three interchangeable handles—a bat handle and two styles of grip handle—as well as two independently operating fire buttons. It's compatible with the Atari VCS. It, like all VCS-compatible units, can also be used with the Atari 400,

800 and 1200 XL home computers, Commodore VIC 20 and VIC 64 grip handle joystick (\$36.95) has fire buttons positioned on the base and stick and is Atari VCS-compatible.

- IBM Trackball (model 50-2090). Designed for the IBM Personal Computer, trackball (\$89.95) features two independent fire buttons and a phenolic ball with 360-degree movement.

- Keypad (model 50-1060). One of a growing number of products designed for the ColecoVision aftermarket, the \$19.95 keypad provides an interface between Atari VCS-compatible controllers and the Coleco system.

- IBM Interface Card (model 50-2070). This interface (\$64.95) enables IBM Personal Computer owners to use an analog joystick and a switch-type joystick or IBM trackball at the same time.

Also available from Wico is a joystick for the Texas Instruments TI99/4A home computer (price not available). Four more controllers for computers and game-dedicated systems are scheduled for a June CES introduction, according to Wico president Gordon Goranson.

A limited one-year warranty is offered on all Command Control products, and Wico has kicked off a \$7 million marketing campaign for 1983. According to Goranson, ads for Command Control products will be placed in the major specialty magazines for game, computer and home electronics consumers as well as in several major general interest magazines. The company also will place full-page ads in regional newspapers.

Radio and television advertising for the products will be tested in the first quarter. Wico plans to begin nationwide programs in these media in the third and fourth quarters.

### 3 intros from Suncom

**Northbrook, IL-based Suncom, Inc.** introduced three new game controllers at the CES, including:

- TAC 2, the company's top-of-the-line joystick (\$19.95). Atari VCS-compatible, the TAC 2 (Totally Accurate Controller) features a large ball metal shaft, two firing buttons and a conical metal base designed to protect the mechanism from rough playing.

- Joy Sensor. Also Atari VCS-compatible, the Joy Sensor (\$34.95 or lower) features—instead of a stick or a ball—a sensor panel. Players move the game images by placing their fingers in the desired quadrant of the panel. Firing also is done by touch sensor. The unit is scheduled for shipment around April 15.

- Starfighter for Apple. This model is built into the same housing as Starfighter, The Ultimate Joystick.

Suncom also introduced a Texas Instruments Joystick Adaptor (\$12.95), which permits use of any Atari VCS-compatible joystick on a TI99/4A home computer, and a "game switch with no switch," scheduled for a tentative April 15 shipping date. Designed for use with a VCR, computer or game console, the game switch connects the television with the console as soon as the console is turned on. Suncom hopes to put a \$12.95 price tag on this product, president Howard Leventhal said.

All Suncom products come with a two-year factory-limited warranty.

The company's advertising plans center around a series of radio ads slated for the second quarter. Leventhal said he chose this medium because it best targets his customers: adults in their late 20's to early 30's with children five to 15 years old.

Suncom offers dealers five percent co-op funding on an accrual basis and p-o-p displays for its merchandise.

### Dual Video Command showcased

**Zircon International, Inc.**, Campbell, CA, manufactures the Video Command line of game controllers. With two million sticks on the market already, the company's latest addition is the Dual Video Command (\$29.95) designed for the TI99/4A home computer.

The unit consists of two Video



SUNCOM PRESIDENT Howard Leventhal demonstrated three intros at CES.

Command joysticks wired into a single plug. The joysticks feature fist-held units with eight-way movements and a joystick-mounted firing button. The Dual Video Command carries a one-year warranty.

Zircon also showed a new pro-line model of the Atari VCS-compatible Video Command at the CES. The yet-to-be-named unit will carry a two-year warranty. Shipment is scheduled for this month.

In addition, the company markets a

"Y" adaptor (\$9.95) that permits the use of Video Command joysticks with ColecoVision by allowing access to both joystick and Coleco touch pad.

Zircon plans to place full-page ads for its game controllers in major game magazines, according to Thomas Larson, vice president of sales. The company offers dealers two percent co-op funding on a cumulative basis.

**Discwasher** introduced two new products for the videogame market at the CES. The Pointmaster Pro Tournament Joystick (\$27.95) is an upgraded version of the firm's Pointmaster Competition Joystick. The Atari VCS-compatible Pointmaster Pro allows players to fire constantly by holding down the firing button. Suction feet allow the unit to be placed on any flat surface, simulating one-hand arcade-style play.

For those who want to add the constant fire function to joysticks they already own, Discwasher introduced the Pointmaster Fire Control Constant Fire Adaptor (\$9.95). The size of a disposable lighter, the unit connects between joystick and main-frame.

Pointmaster joysticks come clamped, according to director of marketing services Dale Berleau. Each will be packaged with "some kind of coupon," he said. The current \$2 rebate offer will end this quarter.

Dealers are provided with a counter display case that holds between six and 24 units. A five percent co-op offer ends Feb. 28 with no further plans for co-op funding this year.

The biggest news from TG Products, Plano, TX, at the CES was its announcement of a five-year warranty on all its computer game accessories. New products include:

- JS-200 Joystick. An upgraded model of the company's JS-100 Joystick, the JS-200 features a centering/non-centering option. Available for Apple II, Apple III and IBM Personal Computer systems, the unit also features two large firing buttons and a trim adjustment for each axis, allowing the user to calibrate the unit for each specific game played. Shipping is scheduled for March 1.

- TB-600 Trackball. Available for Apple, Atari VCS-compatible and IBM Personal Computer systems.

(Continued on page 56)

## Cordless controllers created

**LAS VEGAS**—In personal electronics, "cord" seems to be a four-letter word. First came cordless telephones, now—cordless game controllers.

Two manufacturers showed cordless systems last month. Both consist of Atari VCS-compatible joysticks—each requiring a 9V battery—and a transmitting and receiving device that plugs into the console. Both use an FM signal.

Dealers may recognize Atari's Remote Control Joystick as the Game Mate 2 unveiled by Cynex Manufacturing Corp., Hillside, NJ, last quarter. Atari assumed exclusive distribution rights to the joystick system on Feb. 1, according to Tom Eisenhart, Cynex national sales manager. Cynex will continue to manufacture the product.

Part of the agreement is any videogame product Cynex makes will be for Atari, Eisenhart said. He noted Atari's acquisition frees a lot of capital for Cynex to use in creation of another electronic item to be introduced this quarter. Atari

reportedly had been working on its own remote control system but found delay time to be a problem.

Effective from up to 20 ft. away, the controller consists of left and right joysticks on separate signals. Its suggested retail price has been lowered from Cynex's \$99.95 to \$79.95. It will be available from Atari on March 1.

Technidyne Corp., Houston, TX, manufacturer of cordless phones and other electronics products, introduced cordless pistol-grip joysticks at the CES. Featuring trigger firing, the Magnum (model GC530) is effective from up to 30 ft. away. Suggested retail price is \$39.95 for one joystick, \$74.95 for two. Shipping will begin in March, said Robin Roberts, vice president of sales. He added Technidyne also may manufacture the Magnum for private labeling.

Speaking of the competition, Roberts said, "We are pleased. Atari is bringing legitimacy to the whole FM-wireless category."

—J.S.



ONE-YEAR WARRANTY is offered on all Wico controllers, according to Gordon Goranson, Wico president.

home computers and the NEC PC-6000.

- Power Grip Joystick (model 50-2020). This ergonomically designed



## The standalone alternative:

# Systems don't tie up TV, offer interchangeable fun

By Jenni Stern, contributing editor

LAS VEGAS—Televisions seem to have plenty of company today. With VCR's, home computers and cable channels all vying for screen time, gamers are finding it more difficult to convince family members to give up the tube so they can play Pac-Man.

Several manufacturers displaying their wares at last month's CES claim they have the solution to the TV tie-up problem: standalone systems. Manufacturers claim the systems' capacity to play more than one game provides the gamer with a never-tiring source of fun while the family TV gets a break.

### Vectrex intros talking romance

Introduced at the June 1982 CES, the Vectrex Arcade System, by General Consumer Electronics, Inc. (GCE), Santa Monica, CA, is a fully self-contained system including its own video monitor. Unlike conventional television sets, which use raster scan technology, the nine-in. black-and-white Vectrex monitor uses a vector scan display and color overlays to create arcade-like graphics.

At the January CES, GCE introduced six new Vectrex game cartridges. The new titles (\$29.95 to \$39.95) include Web Warp in the Intergalactic Missions series; Heads-up Action Soccer and Flip Out Pinball in the Sporting Encounters series; and Bedlam, Fortress of Narzod and Spike in the Terrestrial Adventure series.

Spike, the first talking Vectrex cartridge, features hero Spike and his true love Molly who has been captured by the despicable Spud. Both Spike and Molly ask the player to help Spike rescue her. The cartridge uses the system's eight-bit microprocessor and 64K ROM memory so no interface is required to make the system speak. All six cartridges will be available at the end of the first quarter.

GCE also displayed two new developments: a light pen and a touch screen. "We've been telling everyone Vectrex is flexible," said director of marketing Hope Neiman. "For the people who bought it on faith, here's our chance to prove it to them."

The light pen, which allows users to draw pictures on the screen, will be available for Vectrex users for around \$30, Neiman said.

The touch pad consists of a Mylar sheet that fits over the screen and plugs into the control button circuit. Specially designed for children, the touch screen will be accompanied by educational software—for example, the "Hangman" word game shown in the prototype. No price has been set for the touch screen. Christmas orders for both it and the light pen will be taken beginning in April, Neiman said. GCE also plans to intro a keyboard for the system in late '83, she said.

### It's a computer...game...TV

Touted as a standalone game system prior to the show, Ultravision emerged in January as a slightly different animal. After several last-minute marketing decisions, Ultravision, Inc., Miami, FL, introduced what executive vice president Al Orosa called "the ultimate home entertainment center."

Retailing for a suggested \$999, Ultravision is a 64K home computer, game console and television all rolled

into one. The \$999 package includes the console, with a 10-in. high-resolution television tube; two joysticks; a set of headphones; 60-key keyboard and AC/DC power cords. Delivery is scheduled for March.

For game players, Ultravision promises "true reproduction of arcade-quality graphics," Orosa said. The company will market its own game and computer software for the unit (Games by Ultravision for Ultra-  
(Continued on page 56)



VECTREX INTRO'D SIX GAMES, a light pen and touch screen at CES with the help of Hope Neiman, GCE director of marketing (above). Palmtex PVS (inset) is first handheld game to offer interchangeable cartridges.

## THE HANIMEX COMPUTACHESS TRAVELS ANYWHERE

The Hanimex Computachess Games are the world's most conveniently operated chess computers.

Developed from the Computachess I they include many new operating features which enhance the pleasure of using them.

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## Those wild 'n' crazy designers:

# Does freelancer freedom create better games?

By Richard A. Marini,  
contributing editor

NEW YORK—Videogames developed by freelance designers are more exciting and result in greater sales for retailers—at least according to the designers themselves and manufacturers who employ them.

Unlike most staff designers, freelancers can work their own hours, whenever the mood hits. And in addition to a flat fee for their games, freelancers also receive a commission on sales. Such differences, say their supporters, can result in better, more action-packed games.

Not surprisingly, companies employing staff designers contend in-house designers can be more easily monitored and their output more readily controlled.

In fact, many companies are beginning to give greater freedom to staff designers by allowing flexible hours and work schedules. Perhaps this indicates a trend toward the merging of the freelance "creativity" theory with corporate structures.

Whatever the disagreements, few dispute the fact that freelance videogame designers are a breed apart.

Designer Jim Rupp, for example, often finds his inspiration long after his peers on company staffs have packed up and gone home for the night. It's not unusual to find Rupp

believes that if he worked on a design staff, this therapy might be frowned on by his boss.

"I have to see what kinds of games kids and adults are playing," Rupp explained. "I won't actually steal a game idea, but getting the 'flavors' of games that are currently popular is very important. I don't know if a manager would accept that."

Al Leavens, a freelancer who works mostly for Telesys, said he, too, has problems conforming to the 9-to-5 workday of most corporations. "I sometimes don't look like I'm working when I stare into space with my feet up on the desk," he said. "And other times I'll spend time playing arcade games. But believe it or not, I'm working hard. Company managers, though, only look at the short-term results of my daydreaming, which might well be nothing at all."

Another videogame personality who understands what it takes to be a game designer is Bob Ogdon. As president of Action Graphics, Ogdon himself designs games. But he's also in charge of more than a dozen freelancers scattered throughout the country. Although Ogdon might have as much as \$30,000 in electronics invested in a designer, he knows when to keep hands off as well as when to become involved in game development.

### Designers are self-sufficient

"Our people have to be self-sufficient," he said. "But if they get hung up on something, we'll fly them here to Chicago and work it out with them. Even if there isn't a problem, we'll have them to our offices occasionally just to give them some feedback. Let someone spend six months alone in the woods designing a game without any feedback and he'll come back with something only he and the bears enjoy."

In addition to appreciating their creativity, Ogdon realizes that the happier his freelancers are, the better games they'll create. "Good freelancers are found all over, not just in Chicago," he explained. "We have people living from the Rocky Moun-

tains to Virginia Beach. Most of them wouldn't want to move to Chicago. So if we insisted on keeping them in our sights in some tight little office here, we'd either lose a lot of talented people or create a lot of resentful staffers."

### Team works well

Magnavox's Odyssey is one company that has had a good deal of success with freelance game designers, according to Linda West Schumann, manager, product development. In fact, some of Odyssey's most popular games, including Pick-Axe Pete, K.C.'s Crazy Chase and the ill-fated K.C. Munchkin, were designed by the husband-and-wife freelance team of Ed and Linda Averett.

"We use freelancers when we find something that they can do better than our staffs," Schumann explained. "For example, one of our freelancers has more expertise in voice synthesis, so he works mostly on games using our Voice Enhancer."

Despite such success, Schumann said Odyssey isn't expanding its association with freelancers. The company, she added, would rather build up its own in-house department. "We've found that if you have an area an in-house staffer is interested in, they're just as good as freelancers."

Emerson has found freelancers to be so creative that the company doesn't have any in-house staffers, according to Barry Britman, director, product development.

The company does, however, give explicit directions to freelancers when it comes to developing game ideas. "We'll tell a freelancer where we think he should be going with an idea. And if someone comes to us with a concept for a war game, it had better be something special before we'll accept it," Britman said.

What's the future for freelancers? As the market settles and the shake-out occurs, only the more professional game designers will remain. The same holds true for manufacturers. This should bode well for freelancers, many of whom complain about unscrupulous suppliers renege on pre-

viously made deals. Any shakeout, then, should result in smoother dealings between freelancers and manufacturers, sometimes a rare occurrence in the business as recently as 12 months ago.

Even so, as the market matures and the more established companies become firmly entrenched, the opportunities for freelancers might well diminish. Reportedly most large companies still prefer to use their own staffs, over which they can exert greater control.

## Recognize the Spielbergs of game design

NEW YORK—Videogames, like books and record albums, are beginning to be sold on the strength of their authors' past successes.

Savvy retailers, versed in the who's who of videogame designers, can take advantage of this knowledge to increase their odds of choosing successful games. They are realizing, as have the manufacturers pushing a "rock star" image, that by playing on the consumers' curiosity about designers, the game's mystique—and sales—will increase.

Like free-agent baseball players, freelance videogame designers have realized their worth and are demanding to be paid accordingly. Many receive royalties on the games they develop, and some insist their monikers be placed on the games, like a byline.

Some companies with all in-house design staffs give programmers credit, as well. Imagic and Activision both publish a designer byline on game boxes, and Imagic television commercials clearly state the designer of the game.

Those manufacturers hyping a new release by printing on the package in boldface type: "A New Game By So-and-So, Designer Of The Hit, Such-and-Such" are helping to build a following for that programmer and also are aiding retailers' selection process. Dealers who watch closely also can spot new releases by favored designers even without this type of formal announcement.

Odyssey, for example, doesn't promote any of its games as "An Ed and Linda Averett release," even though the husband-and-wife team is responsible for such successes as Pick-Axe Pete, K.C.'s Crazy Chase and 25 other games.

But there, in small letters at the bottom of the box, is the line "Copyright: E. Averett." The Averett's company, Averett & Associates, has retained rights to the games the couple develops, leaving a telltale clue for retailers to follow.

"Watching for a freelancer's games to be released is the only way a retailer can protect himself in choosing cartridges," said Ed Averett. "Of course, there's no guarantee that every game a freelancer designs will be a hit, but it's like the movie business. People take a more careful look at a new movie directed by George Lucas or Steven Spielberg than one directed by an unknown."

—R.M.

## "I think of videogame designing as writing ideas in the air."

Jim Rupp, designer

awake at three or four in the morning, hunched over a video screen working out the kinks in his latest game. "It's a very inspiration-based line of work," he said of videogame designing. "I think of it as writing ideas in the air."

And when the inspiration well runs dry, Rupp finds solace (and, he hopes, more inspiration) by playing videogames at the local arcade. Rupp



FREELANCER JIM RUPP RECENTLY HOOKED UP WITH TELESYS to produce an '83 intro called Ram It. Rupp (left) and vice president of marketing Jack Woodman have an amicable freelance-corporate working relationship and a similar preference in suit jackets. Rupp often finds creative inspiration late at night.

## NEW RELEASES IN VIDEOGAME SOFTWARE

### LEARNING

**ALPHA BEAM**, Atari. Atari VCS-compatible. Available in July.  
**BIG BIRD'S EGG CATCH**, Atari. Atari VCS-compatible. Available in July.  
**COOKIE MONSTER MUNCH**, Atari. Atari VCS-compatible. Available in May.  
**DO-BEE'S FIRST ALPHABET**, Spectra Video. Atari VCS-compatible. Available now.  
**GROVER'S MUSIC MAKER**, Atari. Atari VCS-compatible. Available in May.  
**KOOL-AID**, Mattel. Atari VCS-compatible.  
**MASTERS OF THE UNIVERSE**, Mattel. Atari VCS-compatible.  
**OSCAR'S TRASH RACE**, Atari. Atari VCS-compatible. Available in July.  
**ROCKY AND BULLWINKLE**, Mattel. Atari VCS-compatible.  
**ROMPER ROOM'S COUNTDOWN TO FUN**, Spectra Video. Atari VCS-compatible. Available now.  
**SCOOBY DOO**, Mattel. Atari VCS-compatible.  
**SPELLBOUND**, Palmtext. Palmtext PVS-compatible. Available in first quarter. Suggested retail \$19.95.  
**THE STREET WHERE YOU LIVE**, Spectra Video. Atari VCS-compatible. Available now.

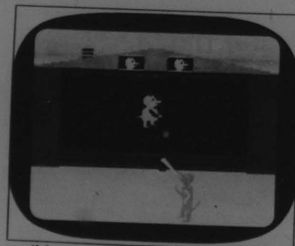
### ACTION

**AIR RAIDERS**, Mattel. Atari VCS-compatible.  
**ATLANTIS**, Imagic. Odyssey 2-compatible. Available in early 1983.  
**BERMUDA TRIANGLE**, Data Age. Atari VCS-compatible.  
**BUTCH CASSIDY AND THE SUNDANCE KID**, Fox Video Games. Atari VCS-compatible. Available in June.  
**BUZZ BOMBERS**, Mattel. Intellivision-compatible.  
**CAKEWALK**, Comma-Vid. Atari VCS-compatible. Available in first quarter.  
**COMPUTER REVENGE**, Mattel. Atari VCS-compatible.  
**CRYPTS OF CHAOS**, Fox Video Games. Atari VCS-compatible. Available now.  
**DRACULA**, Imagic. Intellivision-compatible. Available in March.  
**DRAGONFIRE**, Imagic. Atari VCS- and Intellivision-compatible. Available now.  
**DOLPHIN**, Activision. Atari VCS-compatible. Available in May. Suggested retail \$31.95.  
**DRIVE 'EM CRAZY**, Spectra Video. Atari VCS-compatible. Available now.  
**EAGLE MOUNTAIN**, Spectra Video. Atari VCS-compatible. Available now.  
**ESCAPE FROM ARGOS**, Imagic. Atari VCS-compatible. Available in April.  
**FALL GUY**, Fox Video Games. Atari VCS-, ColecoVision- and Intellivision-compatible. Available in May.

FEBRUARY, 1983

**G.I. JOE COBRA STRIKE**, Parker Brothers. Atari VCS- and Intellivision-compatible. Available in March.  
**HOLDUP**, Fox Video Games. Atari VCS-compatible. Available in March.  
**ICE TREK**, Imagic. Intellivision-compatible. Available in February.  
**KEYSTONE KAPERS**, Activision. Atari VCS-compatible. Available in May. Suggested retail \$31.95.  
**KILLER BEES**, Odyssey. Odyssey 2-compatible. Available in March.  
**LOOPING**, Coleco. Atari VCS-, Intellivision- and ColecoVision-compatible.  
**LORD OF THE RINGS**, Parker Brothers. Atari VCS- and Intellivision-compatible. Available end of 1983.  
**MANGIA**, Spectra Video. Atari VCS-

compatible. Available now. Suggested retail \$29.95.  
**M\*A\*S\*H**, Fox Video Games. Atari VCS-, ColecoVision- and Intellivision-compatible. Available in April.  
**MASTER CYLINDER**, Spectra Video. Atari VCS-compatible. Available now.  
**MAYDAY!**, Palmtext. Palmtext PVS-compatible. Available in first quarter. Suggested retail \$19.95.  
**MINE FIELD**, Palmtext. Palmtext PVS-compatible. Available in first quarter. Suggested retail \$19.95.  
**MISSION X**, Mattel. Intellivision-compatible.  
**MR. BILL'S NEIGHBORHOOD**, Data Age. Atari VCS-compatible. Available in April.  
**MOUSE TRAP**, Coleco. Intellivision-compatible.  
**MR. DO**, Coleco. Atari VCS-, Intellivision- and ColecoVision-compatible.  
**OINK!**, Activision. Atari VCS-com-



patible. Available in April. Suggested retail \$31.95.  
**9 TO 5**, Fox Video Games. Atari VCS-, ColecoVision- and Intellivision-compatible. Available in May.  
**PEPPER II**, Coleco. Intellivision- and ColecoVision-compatible.  
**PICK-UP**, Fox Video Games. Atari VCS-compatible. Available in May.  
*(Continued on page 44)*



## "A real computer for under \$100? TI isn't messing around!"

Meet the new 16-bit TI-99/2 Basic Computer for the student or enthusiast. The most powerful, low-priced computer this year — way ahead of the Timex Sinclair 1000™ in design, capability and consumer appeal. And up to 36K memory. It even has self-prompting, plug-in cartridges that teach consumers how to program! Just look at these features:

Full size, 48-key keyboard with built-in TI BASIC. Quality, flicker-free display. Easily expandable with a whole family of

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superspokesman Bill Cosby — selling hard and delivering high awareness.

This is the year of the computer — and Texas Instruments is making it happen! Call your TI representative today.

Creating useful products and services for you.



## TEXAS INSTRUMENTS

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## NEW RELEASES IN VIDEOGAME SOFTWARE

(Continued from page 43)

**POLE POSITION**, Atari. Atari 5200-compatible. Available in second quarter. Suggested retail \$39.95.  
**PORKY'S**, Fox Video Games. Atari VCS-, ColecoVision- and Intellivision-compatible. Available in June.  
**REVENGE OF THE BEEFSTEAK TOMATOES**, Fox Video Games. Atari VCS-compatible. Available in February.  
**RUSH HOUR**, Comma-Vid. Atari-VCS-compatible. Available first quarter.  
**SAVE THE WHALES**, Fox Video Games. Atari VCS-compatible. Available in May.  
**SHARK! SHARK!**, Mattel. Intellivision-compatible.  
**SHARP SHOT**, Mattel. Intellivision-compatible.  
**SHOOTIN' GALLERY**, Imagic. Atari VCS-compatible. Available in March.  
**SKY SKIPPER**, Parker Brothers. Atari VCS-compatible. Available in March.  
**SLITHER**, Coleco. ColecoVision-compatible. Suggested retail \$70 with Coleco's Roller Controller.  
**SMURF RESCUE IN GARGAMEL'S CASTLE**, Coleco. Atari VCS- and Intellivision-compatible.  
**SECTOR ALPHA**, Spectra Video. Atari VCS-compatible. Available now.  
**THE ADVENTURES OF TRON**, Mattel. Atari VCS-compatible.  
**THE ALLIGATOR PEOPLE**, Fox Video Games. Atari VCS-compatible. Available in June.  
**THE INCREDIBLE HULK**, Parker Brothers. Atari VCS-compatible. Available in summer.  
**TRUCKIN'**, Imagic. Intellivision-compatible. Available in April.  
**TROPICAL TROUBLES**, Imagic. Intellivision-compatible. Available in March.  
**TURMOIL**, Fox Video Games. ColecoVision-compatible. Available now.  
**VENTURE**, Coleco. Intellivision-compatible.  
**VERTEX**, Spectra Video. Atari VCS-compatible. Available now.  
**VOYAGE TO THE BOTTOM OF THE SEA**, Fox Video Games. Atari VCS-compatible. Available in June.  
**WHITE WATER**, Imagic. Intellivision-compatible. Available in May.  
**WINGS**, CBS Video Games. Atari VCS-compatible.

**DEFENDER**, Atari. Atari 5200-compatible. Available now. Suggested retail \$39.95.  
**DIG DUG**, Atari. Atari VCS- and 5200-compatible. Available in second quarter. Suggested retail \$34.95; \$39.95 for 5200.  
**DONKEY KONG JUNIOR**, Coleco. Atari VCS-, Intellivision- and ColecoVision-compatible.  
**GALAXIAN**, Atari. Atari VCS-compatible. Available in March. Suggested retail \$29.95.  
**KANGEROO**, Atari. Atari VCS- and

5200-compatible. Available in second quarter. Suggested retail \$34.95; \$39.95 for 5200.

**LADY BUG**, Coleco. Intellivision-compatible.

**MS. PACMAN**, Atari. Atari VCS-compatible. Available in February. Suggested retail \$29.95.

**PHOENIX**, Atari. Atari VCS-compatible. Available in February. Suggested retail \$29.95.

**POPEYE**, Parker Brothers. Atari VCS-compatible. Available in July.

**Q\*BERT**, Parker Brothers. Atari VCS- Atari 5200- and Intellivision-compatible. Available in July.

**QIX**, Atari. Atari 5200-compatible. Available in March. Suggested retail \$31.95.

**SOLAR FOX**, CBS Video Games. Atari VCS-compatible. Available in

March. Available for Intellivision in second quarter.

**SPACE DUNGEON**, Atari. Atari 5200-compatible. Available in second quarter. Suggested retail \$39.95.

**STOMP IT**, CBS Video Games. Atari VCS-compatible. Available in February. Available in second quarter for Intellivision.

**TURBO**, Coleco. Atari VCS- and Intellivision-compatible.

**TURTLES**, Odyssey. Odyssey 2-compatible. Available in March.

**VANGUARD**, Atari. Atari 5200-compatible. Available in second quarter. Suggested retail \$39.95.

**WIZARD OF WOR**, CBS Video Games. Intellivision-compatible. Available in second quarter.

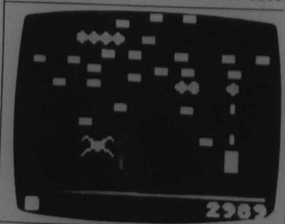
**ZAXXON**, Coleco. Atari VCS- and Intellivision-compatible.

# EXPECT THE UNEXPECTED



## ARCADE

**BLUEPRINT**, CBS Video Games. Atari VCS-compatible. Available in March. Available in second quarter for Intellivision.  
**BUCK ROGERS ON THE PLANET OF ZOOM**, Coleco. ColecoVision-compatible.  
**BURGERTIME**, Mattel. Atari VCS- and Intellivision-compatible.  
**CENTPEDE**, Atari. Atari VCS- and 5200-compatible. Available now. Suggested retail \$34.95; \$39.95 for 5200.

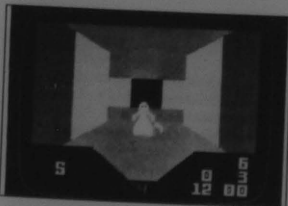


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## STRATEGY

**ADVANCED DUNGEONS & DRAGONS—TREASURE OF TARMIN.** Mattel. Atari VCS- and Intellivision-compatible.



**ARCTIC SQUARES.** Mattel. Intellivision-compatible.  
**COUNTERMEASURE.** Atari. Atari 5200-compatible. Available in February. Suggested retail \$31.95.  
**CRYSTALS OF MORGAN.** Palmtext. Palmtext PVS-compatible. Available in first quarter. Suggested retail \$19.95.  
**FANTASTIC VOYAGE.** Fox Video Games. Atari VCS-compatible. Available now.

**IN SEARCH OF THE GOLDEN SKULL.** Mattel. Atari VCS-compatible.

**MASTER BUILDER.** Spectra Video. Atari VCS-compatible. Available now. Suggested retail \$29.95.

**MELTDOWN.** Fox Video Games. Atari VCS- and ColecoVision-compatible. Available in April. Intellivision-

compatible. Available in June.  
**MYSTIC CASTLE.** Mattel. Intellivision-compatible.  
**SAFE CRACKER.** Imagic. Intellivision-compatible. Available in May.  
**SKY PATROL.** Imagic. Atari VCS-compatible. Available in May.  
**SWORDS & SERPENTS.** Imagic. Intellivision-compatible. Available in February.

**TUNNEL RUNNER.** CBS Video Games. Atari VCS-compatible.  
**VECTRON.** Mattel. Intellivision-compatible.  
**VERTINKO.** Spectra Video. Atari VCS-compatible. Available now.

## SPACE

**DEMON ATTACK.** Imagic. Odyssey 2-compatible. Available in early 1983.  
**FLASH GORDON.** Fox Video Games. Atari VCS-compatible. Available this month.

**GLACTIC TACTIC.** Spectra Video. Atari VCS-compatible. Available now.  
**PROTOBOBS.** Spectra Video. Atari VCS-compatible. Available now.  
**PLANET PATROL.** Spectra Video. Atari VCS-compatible. Available now.  
**SPACEMASTER X-7.** Fox Video Games. Atari VCS- and ColecoVision-compatible. Available in March.  
**SPACE PANIC.** Coleco. ColecoVision-compatible.  
**STARGUNNER.** Telesys. Atari VCS-compatible. Suggested retail \$31.95.  
**STAR STRIKE.** Mattel. Atari VCS-compatible.  
**STAR TROOPER.** Palmtext. Palmtext PVS-compatible. Available in first quarter. Suggested retail \$19.95.  
**STRONGHOLD.** Comma-Vid. Atari VCS-compatible. Available first quarter.  
**THE EARTH DIES SCREAMING.** Fox Video Games. ColecoVision- and Atari VCS-compatible. Available in March.  
**TIME SCAPE.** Spectra Video. Atari VCS-compatible. Available now.  
**VANGUARD.** Atari. Atari VCS-compatible. Available now. Suggested retail \$29.95.  
**VICTORY.** Coleco. ColecoVision-compatible.

## SPORTS

**CONTACT BASEBALL.** Coleco. ColecoVision-compatible. Suggested retail \$80 with Coleco's Super Action Controller.  
**CONTACT FOOTBALL.** Coleco. ColecoVision-compatible.  
**REALSPORTS BASKETBALL.** Atari. Atari 5200-compatible. Available in second quarter. Suggested retail \$31.95.  
**REALSPORTS BASEBALL.** Atari. Atari 5200-compatible. Available in second quarter. Suggested retail \$31.95.  
**REALSPORTS TENNIS.** Atari. Atari VCS-compatible. Available in second quarter. Suggested retail \$29.95.  
**REALSPORTS TENNIS.** Atari. Atari 5200-compatible. Available in second quarter. Suggested retail \$31.95.  
**ROCKY BATTLES THE CHAMP.** Coleco. Atari VCS- and ColecoVision-compatible.  
**SKIING.** Coleco. ColecoVision-compatible.  
**XIV WINTER OLYMPICS.** Mattel. Atari VCS- and Intellivision-compatible.



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**DO-BEE'S FIRST ALPHABET**, Spectra Video, TI 99/4A-, Atari 400/800-

and Commodore VIC 20-compatible. Available now.  
**JUGGLE'S HOUSE**, Atari, Atari 400/800-, 1200XL-compatible. Available now. Suggested retail \$29.95 for disk or cassette.

**JUGGLE'S RAINBOW**, Atari, Atari 400/800-, 1200XL-compatible. Available now. Suggested retail \$29.95 for disk or cassette.

**NUMBER CRUNCH**, Spectra Video, Atari 400/800- and VIC 20-compatible. Available now. Suggested retail \$35.

**SKY WRITER & POP 'R SPELL**, EduFun!/Milliken, Atari 400/800-

compatible. Available now.  
**SNAKE-O-NYMS/WORD FLIP**, EduFun!/Milliken, Atari 400/800-compatible. Available now.  
**ROMPER ROOM'S COUNTDOWN TO FUN**, Spectra Video, TI 99/4A-, Atari 400/800- and Commodore VIC 20-compatible. Available now.

**THE STREET WHERE YOU LIVE**, Spectra Video, Atari 400/800-, TI 99/4A- and Commodore VIC 20-compatible. Available now.  
**TIME TRIALS**, CBS Software, Atari 400/800-compatible. Available in March.

### STRATEGY

**CURSE OF RA**, EPYX. Expansion module available on disk for Apple, Atari 400/800, Commodore 64, IBM, TRS-80. Compatible in cassette with Atari 400/800 and TRS-80. Available first-quarter '83. Suggested retail \$19.95.

**DATESTONES OF RYN**, EPYX. Ap-

ple-, Atari 400/800-, Commodore VIC 20- and TRS-80-compatible. Available now. Suggested retail \$19.95.

**FANTASTIC VOYAGE**, Fox Video Games, Atari 400/800- and Commodore VIC 20-compatible. Available now.

**HEAVY ARTILLERY**, Mattel. Compatible with IBM and Apple personal computers.

**K-RAZY ANTIKS**, CBS Software, Atari 400/800- and Commodore VIC 20-compatible. Available now.

**MELTDOWN**, Fox Video Games, Atari 400/800-, Commodore VIC 20- and TI 99/4A-compatible. Available in June.

**REAGANOMICS**, Spectra Video, Atari 400/800- and Commodore VIC 20-compatible. Available now. Suggested retail \$35.

**SUPERCHESS**, Softsync, Timex 1000-compatible. Available now. Suggested retail \$19.95.

**SWORD OF FARGOAL**, EPYX. Compatible in disk format with Commodore 64. Available in cassette for VIC 20 (16K expander, joystick required). Available first-quarter '83. Suggested retail \$29.95.

**TEMPLE OF APSHAI**, EPYX. Compatible in disk format with Apple, Atari 400/800, Commodore 64, IBM and TRS-80. On cassette for Atari 400/800, TRS-80. Available now. Suggested retail for all formats is \$39.95.

**UPPER REACHES OF APSHAI**, EPYX. Expansion module compatible on disk with Apple, Atari 400/800, Commodore 64 and TRS-80. Compatible in cassette with Atari 400/800, TRS-80. Available first-quarter '83. Suggested retail \$19.95.

### SPACE

**DEMON ATTACK**, Imagic, Atari 400/800- and Commodore VIC 20-compatible. Available in early 1983.

**FLASH GORDON**, Fox Video Games, Atari 400/800- and Commodore VIC 20-compatible. Available in February.

**INVASION ORION**, EPYX. Compatible on cassette with Atari 400/800, TRS-80, VIC 20. Compatible in disk with Apple, Atari 400/800, TRS-80. Available now. Suggested retail \$24.95.

**K-RAZY KRITTERS**, CBS Software, Atari 400/800-compatible. Available now.

### ARCADE

**BURGETIME**, Mattel. Compatible with IBM and Apple personal computers.

**DEFENDER**, Atari, Atari 400/800-, 1200XL-compatible. Available now. Suggested retail \$44.95.

**DIG DUG**, Atari, Atari 400/800-, 1200XL-compatible. Available in April. Suggested retail \$44.95.

**GALAXIAN**, Atari, Atari 400/800-, 1200XL-compatible. Available now. Suggested retail \$44.95.

**QIX**, Atari, Atari 400/800-, 1200XL-compatible. Available in February. Suggested retail \$44.95.

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VARIETY

Wednesday, January 5, 1983

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## AUDIO/VIDEO UPDATE-1983

MARCH 6-9, 1983

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#### TOPICS INCLUDE:

- SURVIVAL/OPPORTUNITIES IN THE CHANGING MARKET
- HOME VIDEO SOFTWARE/TIME FOR A NEW BEGINNING
- BOOKS, VIDEO AND SOFTWARE - THE NEW NEXUS
- THE VIDEO MARKET OUTSIDE THE US
- THE MIDDLE EAST CONSUMER MARKET
- CABLE AND PAY TV/ITS RELATIONSHIP TO HOME VIDEO
- NON-FEATURE PROGRAMMING: MARKETING OPPORTUNITIES FOR SPECIALTY MARKETS
- WHAT'S NEW IN SPECIALIZED ORIGINAL PROGRAMMING
- PUBLIC PERFORMANCE VIDEO/THE USE OF VIDEOCASSETTES AND DISCS FOR LICENSED PERFORMANCE EXHIBITION PURPOSES
- WILL VIDEO MUSIC ATTRACT YOUNGER BUYERS FOR TAPE AND DISC PLAYERS?
- INTERACTIVE CED VIDEO/CD SYSTEM: HOW SOON/HOW MUCH?
- TARGETING PROSPECTS: A DIMENSION BEYOND DEMOGRAPHICS
- PIRACY IN THE EYES OF A PIRATE/TWO REVEALING INTERVIEWS
- THE ONGOING FIGHT AGAINST VIDEO PIRATES
- WORLDWIDE LICENSING OF MUSIC RIGHTS
- INTERACTIVE CAPABILITIES OF VIDEO GAMES AND COMPUTERS/IS IT POSSIBLE TO RELATE TO HOME VIDEO?
- WALL STREET AND THE HOME VIDEO MARKET
- TECHNOLOGY UPDATE/NOW AND THE FUTURE
- STEREO TELEVISION/WILL DEREGULATION BE ITS DEATH KNELL?
- COMPATIBILITY OF COMPUTER AND VIDEO GAME FORMATS/THE NEXT STEP
- WILL INCREASING POPULARITY OF PERSONAL COMPUTERS LEAD TO THE DEMISE OF VIDEO GAMES?
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The medical verdict so far:

# Videogaming is *not* hazardous to your health

By Debbie Rosenblum,  
contributing editor

CHICAGO—Do videogames really cause health problems such as high blood pressure? Do they induce antisocial behavior—violence at one extreme, introversion at the other?

Most retailers have heard the allegations. But which are based on fact and which on fiction? That's what *Merchandising* set out to discover in a recent survey of researchers and medical personnel.

Not one reported videogames to be a detriment. Instead, most view games as tools which may help lead people to improved health. At worst, a clinical psychologist maintained, games have a neutral impact. Even the Surgeon General has said there is no empirical data, as yet, proving videogames are harmful.

## Enhance visual skills

According to Dr. Arnold Sherman, chairman of the Sports Vision section of the American Optometric Association, videogames can enhance nine visual skills. These include: central peripheral awareness which enables a player to focus on one target while remaining cognizant of others on the screen; dynamic visual acuity which is the ability to see clearly while a target is moving, and ocular motor ability—looking from one target to another without moving one's head, a skill necessary for efficient reading.

The only hazard Sherman observed in playing videogames is eye strain after long periods of staring at the screen. That problem, however, can be avoided by taking a five-minute break after every half hour of game play.

Several doctors and therapists are using the games to help patients recover from illnesses or injuries, pointed out Dr. Bob Olton, manager of behavioral research, Atari.

"Dozens of hospitals around the country are using videogames to help patients who have suffered strokes and head injuries, for example, learn to regain functions," he said. "Certainly if the games were dangerous, these places wouldn't be employing them."

## Aid burn, cancer patients

Olton noted one area where the games seem to be "extraordinarily effective" is in aiding burn patients. "Victims of severe burns are in such tremendous pain that doctors have difficulty getting them to move their limbs," he explained. "The games apparently are engaging enough that the patients will go ahead and make the movements required to play them."

There is also evidence that videogames assist cancer patients in dealing with chemotherapy and its after-effects. Jorge Rickard-Figueroa, a post-doctoral fellow in psychiatry and behavioral medicine at Rhode Island Hospital, reported patients undergoing treatment frequently get nauseous just thinking about therapy.

Those cancer patients who play the games, however, don't worry so much about the therapy's side effects. Therefore, not only is their anxiety reduced, but the physical symptoms of chemotherapy—nausea, vomiting

and so on—drop roughly by half, he asserted.

Another researcher who has found videogames to be effective therapeutic tools is Dr. William Lynch, director of the Brain Injury Rehabilitation Unit at the Palo Alto Veterans Administration Medical Center.

The psychologist began utilizing videogames five years ago. "At that time, we simply had the games for recreational purposes—something for the patients to do to while away the time. Then in 1980, we started recording patients' performance," he recalled.

Today, what's called computer-assisted training is a regular part of the center's rehab program for patients who have sustained head injuries or strokes.

"The games help them regain skills that have been impaired," he said.

Two years ago, Lynch presented a paper entitled TV Games As Therapeutic Interventions at a meeting of the American Psychological Association. In it, he reviewed "some of the Atari video cartridges which seem especially useful for retraining brain-impaired persons."

The games were divided into four general categories—those developing verbal/mathematical skills, memory, spatial/perceptual motor functions and table games.

Lynch noted that the game Hangman "places a premium on verbal reasoning, spelling skill and logical analysis." Mathematic skills can be practiced on games such as Fun With Numbers, Add Me, Codebreaker, Blackjack and Poker.

Games like Touch Me require the player to "reconstruct the correct sequence from memory," Lynch said. "A game of Concentration requires visual/spatial memory and the ability to resist the strong interference created by the increasing volume of discrete bits of information to be retained."

Spatial/perceptual motor games include Video Olympics. "The games require visual tracking, eye/hand coordination, planning and anticipation," Lynch noted. "Other games like Space Invaders, Air-Sea Battle, Combat, Asteroids and Missile Command require vigilance, anticipation, visual tracking and quick reaction time."

Table games such as Video Checkers, Othello, Backgammon, Video Chess and 3-D Tic Tac Toe "each require in some degree an ability to comprehend and apply rules of play, strategy, anticipation and appreciation of spatial concepts," Lynch said.

Since September, St. Luke's Hospital in Milwaukee, WI, also has been using videogames as part of its rehab program for heart and head injury patients. "Thus far, we've found the games to be a great benefit," said

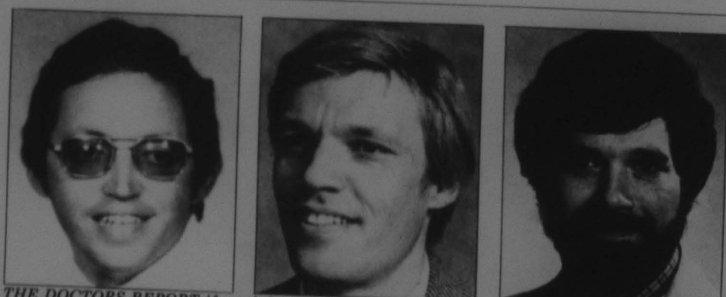
Paul Echelard, supervisor of speech pathology.

He added that the games stimulate social interaction among patients and their families. "Patients play the games with one another. And they encourage each other to try to raise their scores by exchanging strategies."

He continued, "The patients also play the games with their family members. That, of course, helps get their minds off their ailments. The data is preliminary. But it looks like those patients who are playing the games are improving faster than those who aren't."

## Games monitor stress

The hospital is also using games to



THE DOCTORS REPORT (from left to right): Dr. William Lynch, director of the Brain Injury Rehabilitation Unit at the Palo Alto Veterans Administration Center; Robert Gable, assoc. professor of psychology at Claremont Graduate School, and Paul Echelard, supervisor of speech pathology at St. Luke's Hospital, Milwaukee, WI.

help patients who have suffered heart attacks learn to control stress. "We hook the patient to a cardiac monitor, and while he plays the games, he can observe his cardiac output," Echelard explained. "So that the stress doesn't go unchecked, we're trying to teach him how to control his blood pressure, pulse rate and heart rate."

Atari's Olton agreed with Echelard that games can have a positive impact on people's behavior. "In learning the games, a person spends about 20 percent of his time concentrating on his coordination of movement—spotting where to go and how to make objects move around on the screen," he said. "The other 80 percent is spent developing strategies—what to do to increase his score. Many of those ideas come from other players."

But the question which may be of most concern to society is whether the games stimulate violent acts. To find out the answer, Atari recently conducted a study. "We surveyed 800 of our customers who have owned the home games at least six months, in 25 cities across the country," Olton reported.

"It was interesting that when we asked them what they disliked about the games, not one person said the games seemed to cause violence," he noted. Atari surveyed customers of all ages—"from five to 70. However, most users tend to be in the middle age groups."

The reason, said Robert Gable, associate professor of psychology at Claremont Graduate School, is that people rarely exhibit imitative be-

havior unless the role model is realistic in a realistic situation. "The more realistic a role model is, the more likely a youngster will imitate that role model," he explained.

"Most videogames don't have realistic role models in a realistic environment," Gable pointed out. "The sports games are about the only ones where that's the case. Consequently, playing Pac-Man doesn't lead to obesity. And playing Space Invaders doesn't lead to violence. Television has many more realistic role models than do videogames," he added.

Although the behavioral psychologist does see games increasing the sociability of some youngsters, he also sees the opposite taking place.

"There is a tendency for youngsters to become introverted from playing the games. Most compete with themselves rather than with each other. Their main concern is to beat their own scores," he said.

"So far, we don't have any solid data on the long-term effects of this. These kids might be social isolates anyway. But even if the games do promote isolation, that's not necessarily bad. There are many activities which are very constructive that people must do alone," Gable explained.

He told *Merchandising*, "Writers can't write with others. Writing is a very solitary activity as are many other intellectual endeavors."

The Surgeon General has even acknowledged that there is no evidence proving videogames are a hazard. On Nov. 10 of last year, Dr. E. Koop issued a statement clarifying some negative remarks he had made following a speech on family violence at the University of Pittsburgh.

"In replying to a question," he said, "I indicated that some videogames may tend toward violence in their tone. This represented my purely personal judgment and was not based on any accumulated scientific evidence, nor does it represent the official view of the Public Health Service. Nothing in my remarks should be interpreted as implying that videogames are violent in nature per se or harmful."

The National Coalition on Television Violence's (NCTV) chairperson, Dr. Thomas Radecki, however, claims future evidence will show videogames teach violent reactions.

# Computer software: suppliers are confident

By Bill DeSiena, consulting editor

**LAS VEGAS**—Third-party software suppliers came to the CES last month armed with product for even the most inexpensive home computers, signaling a commitment not to leave existing hardware owners stranded high and dry without enough programming.

Of course, the two to 2.5 million home computers sold in 1982 present these suppliers with a hard-to-ignore money-making opportunity. But since the technological revolution in hardware is bringing vastly superior systems onto the market at just a few hundred dollars more, it is surprising so many third-party firms aren't leaving the low-end to the respective hardware vendors.

In game programming, suppliers are entering the computer market from all sides. Virtually every major videogame software maker will produce games for home computers this year. But high-end suppliers, traditionally producing for systems like the Apple II and IBM PC, also will enter the under-\$1,000 arena.

Curiosity and confidence may push consumers beyond entertainment software in '83 as many begin asking dealers what else their computer can do for them. With so many vendors prepared to answer the call, the debate continues about whether or not software prices will drop.

## '83: Year of software

If 1982 was the year of the computer, then 1983 will be the year of software. That's according to Imagic president Bill Grubb, whose company is just one of many third-party videogame suppliers to cross the computer threshold.

"A new software generation has begun. Every household—80 million in the U.S. and 140 million outside the U.S.—is ready to participate," noted Grubb. Imagic will now produce some of its videogame titles for the Atari 400/800 and the Commodore VIC 20 home computers, with delivery scheduled for this quarter.

A handful of companies have chosen to produce game and non-game software for the 2K RAM Timex Sinclair 1000 computer, a system estimated to number better than 600,000 units in the marketplace. Human Engineered Software (HES) is one of them.

"We're following any hardware system with a large enough base for under \$600, the Commodore 64 being the most expensive unit we presently produce for," explained Michael Humphress, marketing manager. HES also makes the software for the VIC 20, and will start producing for Texas Instruments TI99/4A, Atari 400/800 and Timex Sinclair 2000 in March.

Most of the two to 2.5 million computers sold in 1982 fell in the under-\$300 range. People who already own these units versus those who will buy this year possess different software buying habits. "Computer owners at present are not arcade game enthusiasts. But those buying this year will be. Many own a videogame system now, and arcade titles must be developed," Humphress added. Licensing also will be considered by the company this year, he said.

HES markets disk and cassette game and non-game titles. Non-

game programs include a voice synthesizer and word processor.

John Reese, president of Tronix Publishing, had not immediately intended to make game software for the Commodore 64, but reaction at the show changed his plans.

"We're converting our Sidewinder and Swarm titles to the 64 right away," Reese said. The company shipped its first VIC 20 games in December.

Datasoft, a company that began designing games for the Apple II, now is making programs for the Atari and Radio Shack systems. "Our first Apple games could be played using the keyboard or the joysticks. But the joysticks ran as high as \$90 a pair," said Pat Ketchum, president.

Working the low-end computer market is just the opposite. "Users are most comfortable with the joystick, and it will be a while before they accept and understand popular games on the keyboard," he pointed out.

The firm has been licensed to produce Sega's Zaxxon arcade game (\$39.95 retail) for the Atari, Apple and Radio Shack systems. In three months, it will be available for the TI-99/4A, NEC's 6001 and possibly the VIC 20.

By 1985, Ketchum figures, the ratio of software to hardware sales will run three to one, and licensed titles will be one inroad to a broader market share. Recent licenses acquired include the TV show Dallas, martial arts star Bruce Lee and the lineup of Terrytunes characters, including Heekle and Jeckle and Deputy Dawg.

Cosmi, another software supplier, is attempting to penetrate the market with tri-compatible games. According to president George Johnson, the firm has put three game versions into one cassette or disk, to fit either the Atari 400/800, VIC 20 or the TI-99/4A.

"What this does is cut a dealer's inventory to one-third of what it normally would be carrying software for these systems," Johnson explained. Because the machines are non-compatible, three programmers were needed for each game. Retail prices on most regular Cosmi games run between \$9.95 and \$19.95; the tri-compatible titles will cost the consumer about a dollar more.

The majority of software firms present at the CES showed business, educational and instructional programs side-by-side with games.

Creative software, for instance, offers personal, educational and game programs, according to vice president of marketing Elliot Dahan. Programs are available for the VIC 64, Timex 2000, TI-99/4A and Atari 400/800.

## Will prices drop?

Mounting competition should drive software prices down this year, right? Yes' and no, was the reaction from most executives.

"Software prices won't drop yet, even though hardware will continue to slide," asserted Robert Botch, marketing manager for Epyx/Automated Simulations. "The interest in higher-priced game systems and home computers dictates that consumers are moving into it faster than we thought they would."

Epyx makes a variety of action, adventure and strategy games for the Atari 400/800, VIC 20, TRS-80 and IBM PC.

"Most of our games are priced

between \$29 and \$39, with \$29.95 being our most common price point. But a great game has no price factor. Look at Wizardry for the Apple II; it's still \$50 retail and the best selling game of all time for that system," noted Datamost president Don Gordon.

## Yes, says Humphress

Changing software technology will be one reason prices do come down this year, reported HES's Humphress. "When 128K memory is put onto a chip later this year, prices on existing game software could drop," he predicted.

Most HES software runs between \$19.95 and \$59.95; cartridge games are now at \$39.95. Humphress figures that by June, HES game prices will have dropped to \$34 at retail, and by December to \$29.95.

"The price of disks is also adjusting to the market, and is still flexible. A lot of margin is built into the disk; it can cost under \$2 to make each one," he pointed out. Cartridges, on the other hand, might cost \$7 to \$8 to make. HES produces 20,000 cartridges at a time now, but as the hardware bases expand, more will be made on each run, at a cheaper-per-cartridge cost.

## Computer hardware:

# All price points covered at CES

**LAS VEGAS**—Exhibitors at the Winter CES proved they could bring the computer to the home market in all shapes and sizes, designed for an array of uses.

Products hit virtually all points of the price spectrum and prices showed no signs of stalling their downward slide. The 64K RAM models are destined to drop below the \$500 price point at retail this half. And consumers looking for an under-\$100 unit to learn on will find several to fill the bill.

One manufacturing source said it best: If 1982 was the year the consumer discovered what the home computer was, 1983 will be the year he learns what it can do for him.

Industrywide, the personal computer market totaled \$4.9 billion in sales last year (including microcomputers). According to Dan Ross, vice president of the Timex Computer Corp., more than 100 companies participated in selling 2.8 million units.



90 MILLION HOUSEHOLDS in the U.S. are viewed as potential Timex Sinclair customers, notes Timex president Dan Ross.

Ross estimated that the potential market for his Timex Sinclair line alone exceeds 90 million households in the U.S. "Now, six months after we brought the Sinclair 1000 to the American market for \$99 retail, the company is fulfilling its promise to build a line of computer products," he said. The new addition, the TS2000, with 48K RAM capacity, will have a suggested retail price of \$199.95. A 16K version will list for \$149.95.

Available in the second quarter, the 2000 is a version of the Spectrum model made by Timex for Sinclair Research of Britain.

In just six months, Ross continued, Timex's personal computer market share has gone from zero to better than 20 percent with its 2K 1000

model, now found as low as \$73.88 retail. Peripherals that fit both the 1000 and 2000, including a 32-column dot matrix printer for \$99.95, and a modem, are also being readied.

For the 2000, mini-diskette software for direct storage, eliminating the need for a cassette player, will start under \$25. About 40 programs for business, education and entertainment will sell for \$9.95 to \$24.95.

At least one vendor, however, is not convinced that consumers want a unit with expanded memory and the accompanying higher price. "When the market wants a higher-priced unit with more memory, we'll give it to them," noted Don Bynum, vice president and manager, personal computer division, Texas Instruments.

Meanwhile, the firm's TI-99/2, a portable lightweight model with 4.2K RAM expandable to 36.2K, will retail for less than \$100. "The 99/2 is to the 99/4A what black-and-white TV is to color," Bynum added.

"Most consumers are still learning how to program the computer, and we'll continue to provide software and peripherals for this low-end price point," he said. An RS-232 interface, digital tape drive, four-color printer/plotter, the 99/2 itself and 20 programs will be ready for delivery in the second quarter.

Other manufacturers will, however, be bringing larger-memory systems into the market, causing prices to drop even lower at the low-end as models with less memory are discounted or just phased out altogether.

Retailers can breathe at least one sigh of relief, though. Second-generation hardware, in almost every case, has been made compatible with peripherals and software used on first-generation systems.

Atari introduced its 1200XL with 64K RAM in December, at a suggested retail of \$899—exactly the spot where the 800, with 16K to 48K RAM, started out. The debut of the 1200XL, its software compatible with the 400 and 800, will probably drop the latter two's prices to below \$200 and \$300 retail, respectively.

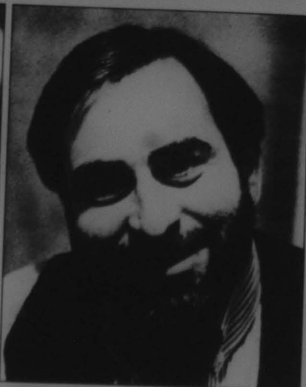
Mattel Electronics marked its long-awaited entry into computers with the Aquarius, a 4K RAM machine for less than \$200 retail. A variety of expanders permit the system to increase to 52K capacity.

Commodore Business Machines officially unleashed the 64 model on the general retail market at the show.





**SOFTWARE AND HARDWARE** markets are being attacked by Spectra Video. Pictured is director of consumer relations Josh Kalter.



**CREATIVE SOFTWARE** plans an aggressive consumer awareness push in '83, according to Elliot Dahan, vice president, marketing.

## Education and fun are combined

(Continued from page 31)

a number of software vendors lined up to license highly recognized characters from the Peanuts gang, Sesame Street, Walt Disney and others at last month's Consumer Electronics Show (CES). From the large turnout in children's software makers seen at the show, it looks like junior and his parents will have a large selection to choose from.

Scholastic, Inc. combined learning and fun for kids long before home computers arrived. Among its first six children's software entries called Wizware is Microzine, dubbed the first computer magazine for children.

The premier issue/program features a number of interactive exercises, including Haunted House, re-

quiring children to decide the outcomes and make the decisions to keep the story moving.

For example, when confronted with a dark, narrow hallway in the haunted house, the computer tells the young user to decide whether to 1) proceed through a door where a ghost may be present, or 2) escape down the back stairway.

"Ask Me" feature allows the user to interview popular personalities. The first guest will be Robert McNaughton, who starred as the oldest brother in the movie E.T. Children choose from a selection of questions appearing on the screen, and must then pick succeeding questions based on the star's answers.

(Continued on page 30)

With a suggested list of \$595, the system could be sold for less than \$500 this year. The Commodore 128, with 128K RAM built in, has a suggested retail of \$795.

### IBM, Epson aim for retail

Even traditionally business-oriented vendors are eyeing their chance for entry into the general retail market.

Last August, Epson dismissed 16 distributors and picked up 12 new ones, well-entrenched in the consumer electronics industry. "We are interested in both computer dealers and any other retailer making a solid commitment to computer merchandising," indicated Ron Ockander, sales manager.

Systems of primary appeal for general retail include the Epson QX-10, expandable up to 256K and with its own color monitor, for less than \$3,000. Even more unique is the HX-20, a \$795 computer that fits into a briefcase, interfaces with the QX-10, expands to 32K and has a built-in printer.

International Business Machines made its first appearance at CES with the IBM PC and Perfect Software for a wide variety of systems on the market.

Highlighting product from Hewlett-Packard was the HP-75 portable computer, available since October. The unit, at about \$1,000, is geared to the business user.

Dealers could also order from at least four Japanese companies at the show. Panasonic and Quasar showed handheld computers with a variety of peripherals that fit into a briefcase. Panasonic also previewed its JR-2000 desk-top model with 32K RAM, built-in BASIC and three software packages. Available in March, it retails for \$349.95.

NEC brought over its \$349 computer from Japan, with 16K RAM expandable to 32K. Product manager Ronald Robinson noted the unit would be available in March.

Sanyo is looking to capture a portion of the \$99-and-under market with its PHC25. The 24K machine can interface with a monitor or TV set.

Emerson is attempting to take advantage of the Atari home computer and videogame system base with a computer that accepts software from both. A printer, cassette and disk drive are available as peripherals. The price for the 16K unit expandable to 48K: \$199.

Also new in the home computer race is Spectra Video, which unveiled a 32K RAM machine expandable to 144K for \$299. A line of software and peripherals will back the system, to be delivered in March.

—B.D.

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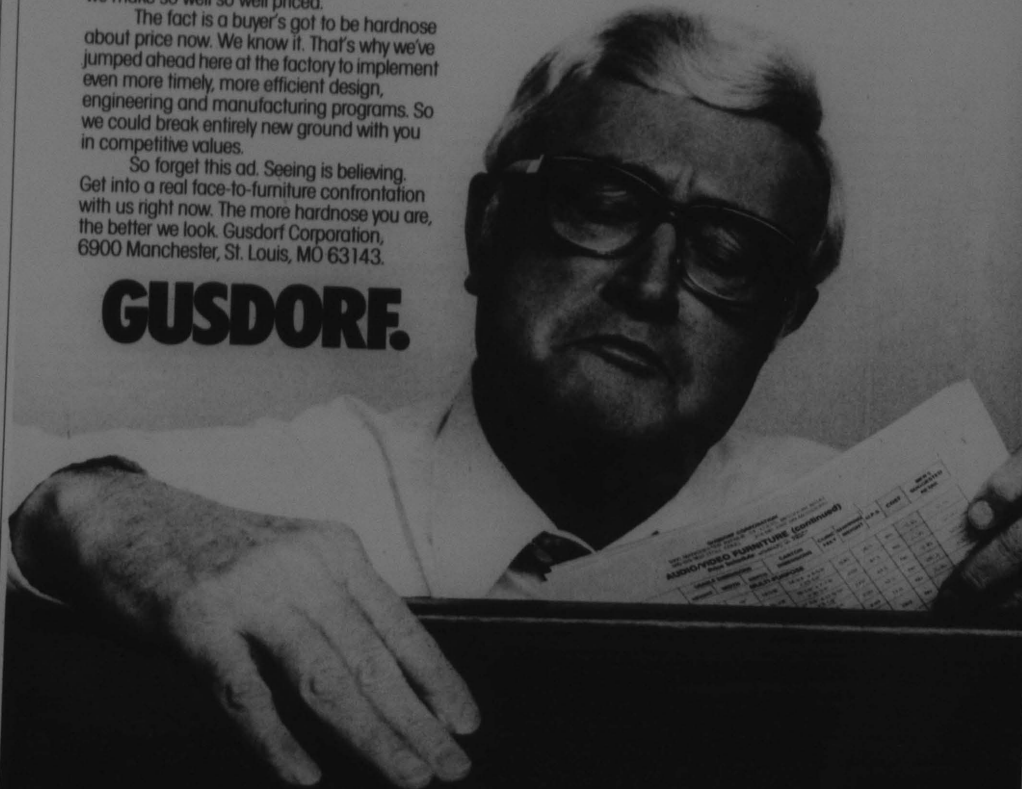
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## GUSDORF.





## Software and hardware companies jump on learning bandwagon

(Continued from page 49)

Microzine and other Scholastic Wizware software will be distributed through schools and retailers. According to Bruce Butterfield, vice president of the retail division, 60 mass market outlets and bookstores have been initially targeted to carry the products.

"About 75 percent of American school kids read Scholastic products every month. We plan to use our network of youth publishing to get our advertising message across," Butterfield said.

President Richard Robinson added that parents were looking for alternatives to the arcade-type of software dominating the market right now.

Microzine initially will be available on disk for the Apple II computer, but other titles also will be produced for the Atari 400/800, Commodore VIC 20 and Texas Instruments' TI-99/4A. Color-coded packages will tell consumers which systems the programs are compatible with. Disks will list for \$39.95 and cassettes, for \$29.95. Product will be delivered in April.

### Software has evolved

Michael Humphress, marketing manager, Human Engineered Software (HES), told *Merchandising* the learning programs HES develops will be game-oriented.

"They will permit the child to learn through creating graphics," he explained. Such product is scheduled for release this year.

The educational market has always been geared away from telling a child that a product is educational. Fischer-Price didn't make it to the top telling kids they'd learn something, even though they did," commented David

Gordon, president of Datamost. The company publishes a line of how-to instructional books for computer users, and gears one series just to children.

### Learning and fun combined in new edu-programs

Vendors have taken that point seriously. Walt Disney Telecommunications plans to become a major supplier of children's software programming over the next decade. "Schools are literally embracing personal computer technology as never before," stated Jim Jimirro, president. "Parents and children are forcing teachers to take up this technology."

Disney will develop programming and license its characters to companies interested in distribution to the retail market. Original Disney ideas also will be used. Disney already has licensed to Atari for its 2600 system, to NEC, Panasonic, Texas Instruments and Radio Shack for their computers, noted Fred Simon, vice president of educational media and computer software. Product for all of these systems will be out on the market by the end of this year. The first product, however, will be ready by March.

Atari probably will be the first company to get Disney-licensed product on the market for its Kids Library series, which soon will be released for the 2600 VCS. Software for the 5200 will follow later this year.

Designed for children under age 12, the educational games were part of

cooperative efforts with the Children's Computer Workshop (CCW). United Features Syndicate for the Peanuts comic strip, Walt Disney and Henson Associates of Muppets acclaimed.

Educational releases for the 400/800/1200XL computers include Juggle's Rainbow and Juggle's House, for \$29.95 each in disk or cassette. Other CCW-created games to be released by Atari include Oscar's Trash Race, Alpha Beam, Cookie Monster Munch, Grover's Music Maker and Big Bird's Egg Catch.

Ex-Atari employee Warren Robinson has helped co-found another children's software maker, The Learning Company (TLC). TLC offers six learning games for use on the Apple computer. Among them are: Gertrude's Puzzles, a game involving geometric shapes; Gertrude's Secrets, a puzzle-solving adventure; Bumble Games, six colorful number exercises, and Rocky's Roots, a game demonstrating digital logic.

### New titles announced

Other computer firms, whether hardware- or software-oriented, also are planning educational releases this year. Videogame producer Roklan Corporation and educational media developer Scott Foresman and Co. are teaming up to develop about 30 programs for the Atari 400/800, Apple II and Apple II-Plus. Programs will include reading, math and math-action. The first six are due for June delivery.

Milliken Publishing will release at least four titles for grade schoolers between ages 7 and 14. The EduFun! series includes Snake-O-Nyms (antonyms and synonyms), Word Flip

(word endings and structure), Sky Writer (compound structure) and Pop 'R Spell (spelling).

Among other software companies involved is Quick Brown Fox, with its Keyboard Command Touch Typing game to teach both adults and children standard typewriter key location. Figure Fun, from Thorn EMI, contains both multiplication/division game and a number series game where the player has to solve a certain number of problems in a given time. It is available for the 400/800.

For the Timex Sinclair 1000, Softsync has unveiled two learning titles, including Math Raiders 1000 (ages six to 10) and Alpha/Vowel Tutor (ages four to eight and five to nine). Spectra Video has released Number Crunch, a multi-level math game for both children and adults, for the 400/800 and VIC 20. The suggested retail is \$35.

Hardware companies also are backing their systems with learning software. Texas Instruments has released software with math exercises for children through grade nine. They include titles from Developmental Learning materials, Milliken, Addison-Wesley and Scott Foresman. The suggested list is \$39.95 each.

To fit Mattel's Aquarius computer, the company will have two programs using LOGO language. Called Math and Mazes and Spelling and Space, if users answer questions correctly, they are rewarded with an Aquarius maze or space game.

Commodore plans to use Gortek, a character it developed, to teach children how to program. Two versions, one for the VIC 20 and one for the 64, are available. The instruction book provided is fully illustrated and reads like a comic book.

## Bamberger's intros pro computer center

By Bill DeSiena, consulting editor

PARAMUS, NJ—The age of "Level II electronics" has descended upon Bamberger's, taking form as a professional computer center.

Level II electronics, to coin a phrase from the chain's divisional merchandise manager of home furnishings, Bob Hommler, does not include videogame systems or even home computers. Instead, it is where these Level I products have steered an expanding number of consumers—to the personal and business computer market.

The 1,550-sq.-ft. store within a store opened its doors the first week of December in the Paramus location, and features computers from Apple, Epson, IBM, Osborne and Xerox. Customers can work and play with each computer in its own booth, and choose from about 300 software packages and peripherals to meet their individual needs.

Five full-time salespeople and one part-timer help match a confused consumer with the right system. Buyers also can enroll in courses and depend on a full-time servicing department after they have taken their computer home.

The computer store is located directly across from the home electronics department, which features videogame systems and home computers. Customers must walk through the video/audio area to get to the personal computer center's entrance.

The idea of a personal computer department in Bamberger's will blend

well with the type of customer the store draws, noted Hommler. That customer, he said, comes to the 23-unit chain looking for new ideas.

During the center's first week, the store lured curious shoppers with an ad in the Bergen Record on Sunday, inviting them to a free introductory seminar which ran continuously. A 350-sq.-ft. training room, which held about 30 students at a time, was constantly filled and wait-listed.

"Our first few sales were to customers who had just roamed into the department, unaware of the ad we had run on Sunday," said microcomputer buyer Jack Davis. "They were just Bamberger's customers, the normal base which we hope to attract."

With the Christmas holiday approaching, the store aimed its advertising for the computer store directly at families. Since the first of the year, however, promotion has been aimed toward the business market in search of an office system.

In both cases, the store started out by offering shoppers free seminars on computer literacy. Since the beginning of this month, end-user courses for those individuals who have bought the systems also have begun. The undertaking of a course program is often complicated, but it also serves as a key sales tool, noted human resources coordinator Lisa Erdmann.

"It takes up to three hours to teach users to operate a computer. A basic computer literacy course takes one



LEVEL II ELECTRONICS are displayed in Bamberger's new 1,550-sq.-ft. computer center. Other centers will open in New Jersey Bamberger's in '83.

hour, while teaching a person how to work with an accounting package might take two days. Customers want to know we'll be around to educate them on how to use hardware and software after they leave the center," she explained. In most cases, customers will buy the hardware package and get the software package training thrown in as an incentive.

Peripheral equipment is represented by vendors including Amdek, Smith-Corona, Diablo, Daisywriter and Epson. Software from Micro Pro, Visicalc, Peachtree and Sorcim, among others, will be carried.

A certified technician is on the premises to service and repair computers. "We have a parts stock right in the store, and in addition, offer an extended warranty beyond the manu-

facturer's," noted Davis.

"When customers buy a machine, they buy a phone number," he continued. Bamberger's is also working with a servicing business with different locations in its geographic area, to provide even greater convenience for customers needing service.

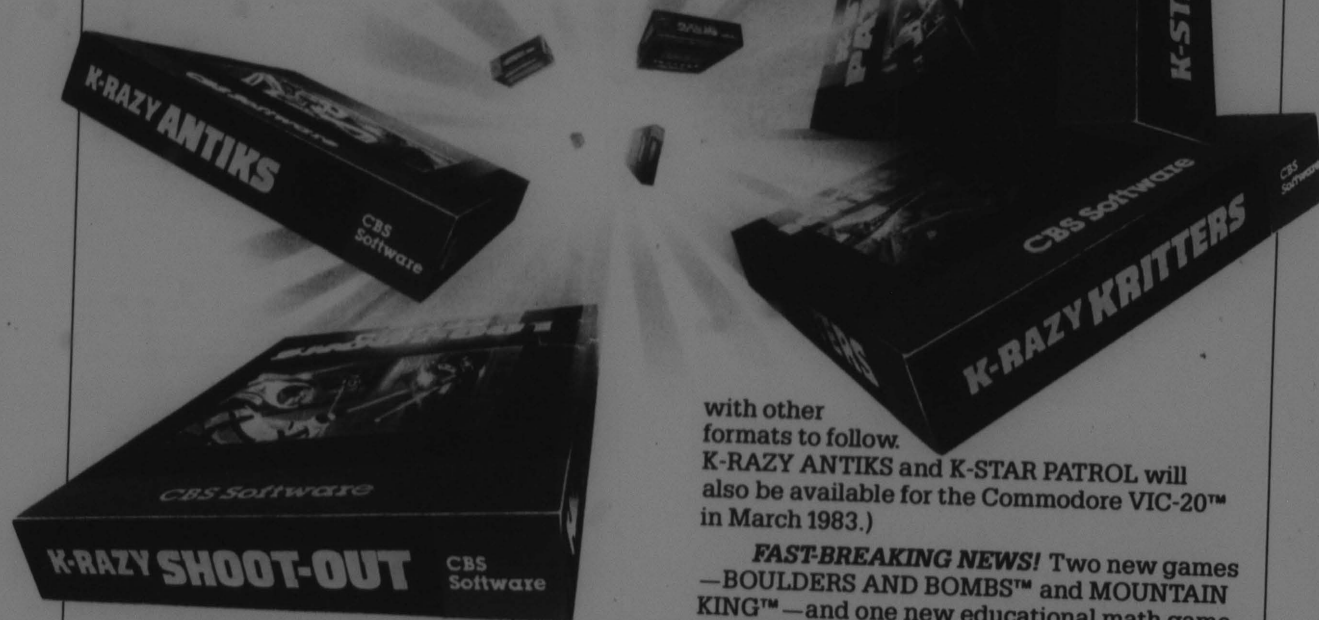
Servicing agreements extending beyond the maker's warranty period run between 12 and 18 percent of the purchase price, Davis added.

Although today's consumer, in many ways more confident with the computer, is now looking for a system with a specific purpose in mind, one thing hasn't changed.

"Even the buyer of a system to run his small business is asking if it plays games before taking it home," Davis said.

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## CES panel of experts:



Grubb, Imagic



Schaeffer, Atari



Levine, Mace



Tomczyk, Commodore



Hoffman, Software Store



McDonald, Casio



Hoag, Mattel

# A look at the computer/video-game future

By Anne Krueger, section editor

## Q. Is the packaged-goods method of selling computers possible?

A. The packaged goods concept certainly has to be explored, according to Mike Aguilar, assistant general manager, Panasonic. "We think the personal computer scares the heck out of salespeople and customers out there. I wouldn't compare it to a can of peas. Our concept is customers go home and hook up one piece. We want salespeople to be able to sell something that the consumers can just take home, plug in, and it runs. Let's make it simpler so salespeople don't have to match sophisticated equipment."

But according to Epson America, Inc.'s president Jack Whelan, the packaged goods concept of selling brings up the question of computer literacy. "When consumers become more educated, that kind of package will work," he said. "It won't become a truly packaged product, out-of-the-box, can of peas until education raises computer literacy." Epson does sell

some peripherals in a packaged goods manner, he added.

Adam Levine, Mace Electronics, Erie, PA, pointed out that Atari offers packaged kits. "I think that is the wave of the future. As other manufacturers create that kind of packaging we will see more of it—it's up to manufacturers, not the retailers."

Coleco's VP of marketing Al Kahn disagreed, however, expressing the viewpoint that the industry must continue to sell "entertainment," and "that doesn't mean a packaged goods presentation," he said.

It's almost a necessity to treat lower-end computer merchandise as packaged goods, said Warren Winger, chairman and CEO, CompuShop, Dallas. "From our experience, under-\$1,000 computers would have to be sold as packaged goods because of the time involved to sell. At the \$300 level, it has to almost be where the customer can pick it up and carry it to

the checkout. Computers selling for more than \$1,000 have been compared to VCR's—give the shopper about a five- to 10-minute demonstration and then move on to someone else if he doesn't buy."

For computers selling for more than \$3,000 (the bulk of CompuShop's business), Winger said salespeople must be trained to make "solution" sales, not demo sales. He explained that customers spending that much usually are buying the computer for a specific need; salespeople must find out what the need is and demonstrate the computer's capabilities that fill that need. Peripherals can be sold as packaged goods or right off the shelf, Winger maintained, as long as they can be easily plugged in and don't require an interface.

An example of successful marketing and packaging of an esoteric product was given by Commodore's product marketing manager Mike Tomczyk: "We've introduced a \$100 modem. The product is packaged and displayed so it's understood and saleable without assistance."

## Q. What will the role of distributors be in '83?

A. According to David Wagman, chairman, Softsel Computer Products (distributor), the distributor role expands as the customer role changes. Distributors now must offer marketing and merchandising support, point-of-sale tools, literature, sales and technical training, in addition to the usual service and delivery. Wagman believes a rack jobber would be of use to the novice setting up an entire videogame/computer department.

Ray Daly, The Program Store, Washington, DC, would like to see distributors helping retailers pick best-selling titles. "It's very difficult for a retail to keep up with all the new titles. I believe there are 300 to 400 new ones a month in games and computers. One thing distributors will do is help sort through all the titles. They have to provide prompt service, that's of primary importance, especially if the product will be a hit."

## Q. How do you get that consumer to try, and buy, a computer?

A. By stressing games, is the answer given by Coleco's Al Kahn. "ColecoVision is a full-blown computer and will have a keyboard in June. But, what do consumers do on a computer? Don't tell me they do their taxes or balance their checkbook on it. We're selling entertainment," he said.

CompuShop's Warren Winger agreed it's important to get the customer excited about buying a computer but there must also be a rationale for buying it. "Don't feel afraid to add games to the sale," he advised. "We're all closet game people."

A little something for everyone is the game plan at Panasonic, Mike Aguilar said. "We give the kids the arcade games, a checkbook program for Dad and do a good job in showing them what the computer can do. It's up to the individual manufacturer or retailer to decide to market the machine as a computer with a game, or as a game with a computer."

Epson America, Inc. offers its customers what's called a "warm-up kit," Jack Whelan said. "We've found consumers must have a feeling of a reward or accomplishment or they lose interest," he explained. The kit contains easy-to-learn games and a checkbook-type program.

In 1982, computers were sold as games with computers, said Commodore's Mike Tomczyk. In '83, he predicted, computers will be sold as

stereo systems are, including peripherals. His theory: "You start with the computer, then the customer takes home some software and acquires some peripherals. The secret to selling lower-priced computers is eventually you've rung up a \$1,000 to \$1,500 sale. After he becomes more computer literate, he'll want to trade up to a more powerful computer. At this point it'll be nice if he can keep the peripherals while trading up. Then after buying new software for the new computer, he'll realize he wants more sophisticated peripherals."

Retailer Al Levine, Mace Electronics, Erie, PA, believes in three levels of support to move computers: pre-sale with national advertising, salespeople on the floor demonstrating product and after-sale support. "Eighty percent of the sale occurs in the six weeks after the product is sold," he said. "We carry the VIC 20 and Atari 400/800 and have separate sales staffs for Apple and Apple-related products. Because a lot of salespeople work on a commission in the electronics business, they don't want to spend a lot of time explaining the product, Levine said. Some of that must be done by the manufacturer and advertising. Indeed, manufacturers aiming to lure consumers into the videogame/computer arena will probably spend more than \$400 million in advertising this year, reported Al Kahn, Coleco.



Daly, Program Store



Aguilar, Panasonic



Winger, CompuShop



Kahn, Coleco

Epson is not exactly a household word, admitted president Jack Whelan, although it is well known among enthusiasts. To create pre-Christmas consumer interest, the company worked on a promotion in conjunction with May Centers, located in malls across the nation. "The strategy was to get product in front of people and get people in the mall into the stores," Whelan explained. "We had a computer (portable unit, around \$1,000) giveaway in each mall and advertised to the public over the radio and on TV that consumers could select Christmas gifts by computer at the May Centers." All three major TV networks covered the promotion.

What happened from Thanksgiving to Christmas at the May Centers, as well as at New York's FAO Schwartz and San Francisco's Embarcadero, is customers would wait in line a half-hour to 45 minutes to use the computer. This is how it worked: A customer would

who wanted gift ideas for Aunt Agnes could plug in the gift-getter's age, sex, the amount of money budgeted for the gift and other criteria. Voila! Up would come several suitable gift suggestions available at the stores. This served as an aid to consumers while familiarizing them with the computer at the same time. Whelan reported it was the most successful promotion the May Centers have had in nine years. "It goes back to the concept of computer literacy," said Whelan. "We consider computers a self-improvement tool in the house, not just a game."

"You just have to get customers to sit down and try it."



Whelan, Epson

## A computer promo success story: Epson



# VIDEOGAME/ COMPUTER BUYERS' GUIDE

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- ★ VIDEOGAME SOFTWARE
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- COMPUTER GAME SOFTWARE
- COMPUTER HARDWARE

MORE ON PAGE 54, 55

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## MERCHANDISING VIDEOGAMES & COMPUTERS

### Videogames are upgraded; computers cost less

(Continued from page 31)

pensive Intellivision II to phase out the original Intellivision; introduced Intellivision keyboard attachments; introduced a home computer called Aquarius, which is slated to sell for less than \$200 for the basic unit but is expandable to 52K, and showcased Intellivision III, a high-resolution so-called "state-of-the-art" videogame/computer introduction with a less-than-\$300 price point.

At the same time, computer manufacturers across the country began pointing out their machines play games, too—and more sophisticated ones, to boot. And software makers graduated from creating VCS games to more complex computer system software. One software maker, Spectra Video, charged right into the computer market with its \$299-based personal computer system called the Challenger.

Company president Harry Fox expects that the home computer market will continue to segment into two

tiers of customers. "The beginner machine consumer will look for products like the Timex 1000 to learn on. The advanced-feature customer, having already done this, is ready to make the investment in a total educational and entertainment package."

For the customers wishing to upgrade more slowly and into a less-frightening format, Spectra Video also introduced the Spectravision CompuMate converter. The converter keyboard sits atop the Atari VCS and inexpensively upgrades the game system to a small personal computer. CompuMate will retail for less than \$100 and will be available in March.

The first to market its videogame console as an expandable computer, Coleco is really targeting the not-ready-for-a-BIG-computer customer. More details on the computer capability will be available at the June CES, a Coleco spokesperson reported.

Odyssey's new Command Center also will be introduced in June, according to Gerald Michaelson, vice

president, marketing. The home videogame console features high-resolution graphics and will come with a full-function computer keyboard with typewriter-like keys.

In preparation for this introduction due for delivery in the third quarter, Odyssey has dropped the price on its Odyssey 2 to below \$100. The Command Center system will retail around the old Odyssey 2 range—below \$200, Michaelson said.

Mattel always has claimed Intellivision was superior in terms of graphics and game-play capabilities, but the system was never in sync with the current market prices for other systems. To correct this, Mattel embarked upon a series of rebate offers.

Now the company is practicing what vice president of Mattel Electronics, Peter Pirner, calls "price superiority." The Intellivision II will retail for around \$150 to \$200 while the III will go for less than \$300. As the II catches on, production of the original Intellivision will cease.

The Intellivision III features built-in synthesis, high-resolution graphics with intricate detail, infinite colors and life-like graphics. "We believe we've achieved the state of the art in videogame technology," Pirner said.

While software makers such as Activision, Imagic, Spectra Video, U.S. Games, CBS Software, Parker Brothers, Telesys, Fox and others are beginning to supply game software for the more complex computer users, some of these same suppliers are creating cartridges that supply increased game play on the old Atari VCS workhorse—creating almost the same effect as a system upgrade.

#### Software makers improve carts

Wings and Tunnel Runner, two new game intros from CBS Video Games, represent a new level of sophistication for ROM cartridge games, according to Rob Hunter, vice president.

U.S. Games, too, has created an 8K ROM with RAM chip that gives the player the option of programming the game sequence and which allows for better graphics and game play, according to John Belden, vice president and general manager. It will be featured in the company's '83 intros.

### New electronics furniture debuts

LAS VEGAS—Building on the rapidly growing personal computer market, new furniture introductions at the Consumer Electronics Show here centered around stand-alone and modular product for computer and peripheral equipment.

"In 1982 we were up five to 10 percent net units," said William Schaeffer, vice president of marketing and sales for Bush Industries, Inc. "In 1983 we should see a 15-to-20 percent net unit gain due to the gradual economic recovery. Computers will be the strongest growth category."

Michael Sheperis, advertising manager for Gusdorf Corp., St. Louis, also predicted computer furniture will "skyrocket this year."

In anticipation of the surge in personal computer sales, both companies introduced furniture designed for the home or office. Bush intro'd a four-sku modular line for the home computer jock. Styled in oak vinyl veneer, the line includes a full-sized desk (\$169.95 suggested retail); roll-about table (\$79.95); hutch (\$99.95), and monitor platform (\$17.95).

One of Gusdorf's 26 introductions included a simple desk topped with an optional abbreviated hutch. At \$70 suggested retail, the work surface measures 18 by 31½ in. and rests on steel legs with pearl metallic finish.

O'Sullivan Industries, Inc. debuted nine pieces of computer furniture at the show. They range from a promotional desk for \$119.95 to a vertical upright cabinet for \$479.95. The latter features a vertical lift-up lid for printer access and an adjustable monitor shelf.

"At the June CES, we introduced five pieces of computer furniture, and we can't make enough of them," said Dennis King, advertising manager.

"Computer furniture is as hot as the audio cabinetry we introduced three years ago," he added.

### Standalones, handhelds offer TV alternative

(Continued from page 41)

vision). Twelve titles are slated for release this year, with two—Condor Attack and Karate—now ready for shipment. Each cartridge will retail for a suggested \$49.95.

The system can play Apple, Commodore and Atari 800 game software.

Future developments for the Ultravision include expansion modules allowing the user to play Atari VCS-compatible and ColecoVision game cartridges on the system. They will be released in March and will retail for \$99 each.

Ultravision, Inc.'s advertising budget for 1983 is \$7.5 million. Orosa announced. Its products will be featured in all major print media, on radio and in television spots. Dealers will receive three percent fully paid co-op funding as well as p-o-p display materials and literature.

#### New handheld has staying power

Because handheld games have reached their peak," said Barry Becker, vice president, marketing and sales, Palmtex, Foster City, CA, "dealers are now extremely wary of them. Kids can easily master them, and they are too expensive just to put down after a week's worth of use."

If Becker is right, then Palmtex has created a dealers'—and a kids'—delight: a palm-sized videogame console using interchangeable game cartridges and retailing for around \$29.95. The PVS is scheduled for shipment on April 15.

"The PVS is designed to be challenging," said Becker. "Each game uses up to 2K of memory and offers logic, skill levels and random programming."

The PVS console, which folds up to look like a small metal compact case, features left hand/right hand control buttons, pause button, right/left bias switch, mute button, on/reset button and three buttons for selection of game skill level. The unit runs on a 5V battery (included in the initial package).

The mini game cartridges (\$19.95 each) include the game screen, enhanced by a magnifying lens. The color graphics are produced by liquid crystal display and are reported to appear three-dimensional.

Palmtex plans to market 10 to 12 games for the PVS by the end of 1983. Currently ready for shipment are Crystals of Morga, a fantasy game with 49 different mazes; Spellbound, an educational word scramble game; Star Trooper, a spaceship dogfight game; Mayday!, a coastal defense game; and Mine Field, a danger suspense game.

Initially, the PVS will be packaged with the Crystals of Morga cartridge at a retail price of \$49.95. Becker expects 95 percent of the games to be sold this way.

Palmtex will intro with commercials, consumer magazines and billboard ads.

Dealers will be offered five percent co-op funding and countertop p-o-p.

### Healthy aftermarket attacked

(Continued from page 40)

• GP-200 Game Paddle (\$39.95) designed for the IBM Personal Computer system. It sports a firing button easily switched from one side of the paddle to the other, making it comfortable for right- and left-handed players.

• Select-A-Port expander (\$59.95) plugs into the Apple II's single game port and provides the computer with swappable sockets for five controllers.

TG Products has designed new packaging for its products, according to Don Geyer, director of marketing. Products are enclosed in clear plastic bubbles within multi-colored boxes for display in glass counters or to hang on free-standing racks.

Based in Bishop, CA, Newport Controls also offers a five-year warranty on its controllers. At the CES, the company introduced:

• Prostick III. An upgraded version of the company's Prostick II joystick, this \$29.95 model is Atari VCS-compatible. TI99/4A-compatible versions also are available.

#### Action from Spectra Video

Spectra Video, Inc., New York City, marketers of the SV-318 personal computer and a line of videogames, introduced the Spectravision Quick Shot joystick (\$14.95).

The Atari VCS-compatible controller features a contoured handle grip, thumb trigger rapid fire button, optional left-hand fire button and attachable suction cup feet for one-handed playing. Available for immediate delivery, the unit has a 90-day warranty. The company plans to continue its program of advertising the Quick Shot in major game and computer mag-

azines, according to Mervin Fong, advertising director. Dealers are offered five percent co-op funding. A trackball at a \$32 price point is "in the works."

Transcriber Co., Inc., Attleboro, MA, showed its Faster Blaster game controller (\$14.95) at last month's CES. This stickless controller features a touch pad with markings for Thrust, Shield, Left, Right and Fire Replay. According to John Shearson, vice president and general manager, Faster Blaster weighs less and is less-fatiguing than a joystick.

Shipping on the unit began the first week of January. A promotion allowance for dealers—\$2 per unit with a minimum purchase of 500 units—will be good through February.

By the Summer CES, Transcriber plans to have a full line of computer game accessories. Shearson reported, including a ColecoVision controller with a game reset button.

Coleco Industries, Hartford, CT, introduced two new ColecoVision controllers at the CES, each in conjunction with a new cartridge and available in early '83.

• Super Action Controller comes in a set of two with a Contact Baseball cartridge. Player grips controller in one hand with fingers grasping four control triggers. Pressing on triggers controls specific areas of play and an actual jolt is felt when, for instance, an offensive player makes a hit. An eight-direction joystick, speed roller and multiple-use select buttons and keypad all are contained in controller. Will retail with game for around \$80.

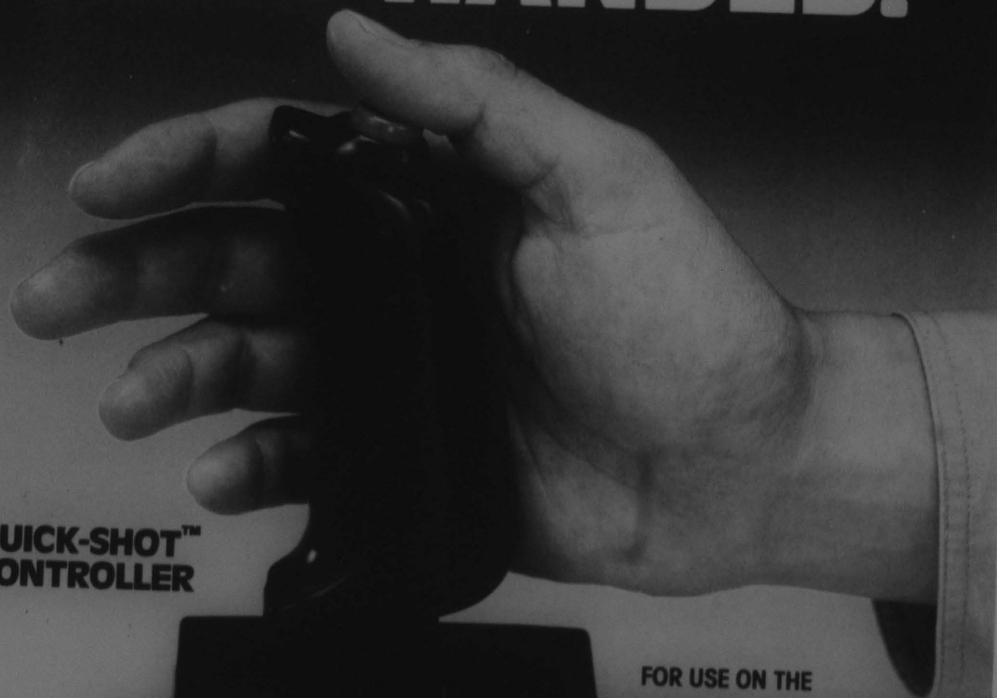
• Roller Controller console (\$70) features a trackball and comes with the game cartridge Slither.

# "BERMUDA TRIANGLE" FRIGHTENS YOUR CUSTOMERS. THRILLS YOUR BANKERS.

"BERMUDA TRIANGLE," the dangerous new video game from DATA AGE™, has been an instant success. Spectacular graphics, devastating action and genuine fear grip players in this new deadly action game for the ATARI® Video Game System and Sear's Tele-Games™ Video Arcade™. It's under-sea treasure for them and treasury bills for you as we back "BERMUDA TRIANGLE" with key market t.v., spot and network radio, 4-color national magazine ads, point-of-sale, co-op and unique consumer promotion—FREE manuscript at 100,000 points, (detailing the reputed mystery of the Bermuda Triangle); FREE replica artifact from the underwater city at 500,000 points. Give your customers a fright, your bankers a thrill. See your DATA AGE™ distributor, right now.

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# HOW TO BEAT ANY VIDEO GAME SINGLE-HANDED.



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MODEL 318-101

### FOR USE ON THE

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- \* SEARS VIDEO ARCADE
- \* VIC-20 COMPUTER
- \* ATARI 400 & 800 COMPUTER SYSTEMS

Beating any video game is easy, but beating it single handed takes a lot more. It takes a good joystick that is responsive and comfortable. Now with Spectravision's new Quick-Shot™ Joystick Controller, you can do it all single-handed; control and fire at the same time.

One look at the handle and you know you'll have a better grip on your game. It's contour design fits comfortably around your palm. You can play for hours without developing a case of sore thumb. The firepower button on top of the handle gives you that extra margin of

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entire joystick firmly on any surface. It also comes with a long cord. With all those superior features in one joystick, you know you got yourself a winning combination. And when it comes to beating video games, one hand is all you need!

Get the Quick-Shot™ now, you'll be that much ahead. After all, winning is what every game is all about.

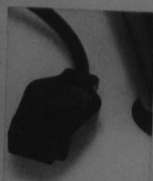
### THE WINNING EDGE.



CONTOUR HANDLE  
AND RAPID FIRE BUTTON



OPTIONAL LEFT HAND  
FIRE BUTTON



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REMOVABLE SURE  
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39 W. 37th Street, New York, N.Y. 10018



# NEWSLINES

## PERSONAL ELECTRONICS

### 12345



Androbot intros TOPO, a roving computer peripheral

**LAS VEGAS**—Replacement and service contracts for personal computers will soon be available from Independent Dealer Services, Inc. (IDS). The 14-year-old company, which now offers contracts on 38 products from projection TV's through microwave ovens, plans to offer its services to the computer market sometime during the first quarter, president Bernard Schermer told *Merchandising*. "We plan to offer a full comprehensive contract covering the entire computer," he reported. "We're now talking with a national service company that will handle all repairs. It will be a joint venture between the two firms."

Different contracts will be offered for computers at different price points. Covered will be the computer itself and all peripherals. The contract is expected to cost the consumer 12 to 15 percent of the sale price for a year's coverage. "We feel the close ratio will be 75 percent," said Schermer. "People already know that the computer's an electronic miracle that's going to have some problems. This is a service our accounts have asked us to provide."

Based in St. Louis, IDS claims that if a retailer can sell a contract with 15 percent of the units sold in most categories, he can add a point of profit to his bottom line. If he can close 25 percent, he can add 2.2 points.

**LAS VEGAS**—This is the year 1 A.B. The first robots with artificial intelligence, designed for home use, were unveiled by Androbot at the WCES. Androbot, the name chairman of the board Nolan Bushnell and president Tom Frisina gave to the "personal robot," will initially be available in two different models: BOB, as a self-run model, for \$2,495 retail, and TOPO, as a roving computer peripheral, for \$995, \$1,195 with voice.

The company predicted that seven billion robots would be in the market by 1990. What Bushnell said he regrets at present is that the price is too high. "It may be viewed as crude and silly right now, but people thought Pong was crude and silly too — although a lot of fun," he reminded. Neither BOB nor TOPO do windows yet, but they can distinguish a human from an object, walk up to him and start a pre-programmed conversation. The key to success, Frisina noted, lies in software. "TOPO is as smart as your computer; BOB (stands for Brains on Board) uses infrared sensors and has three Intel 16-bit microprocessors," permitting the Androbot to be a thinking entertainer, he went on. The firm has already licensed programs that will enable the robots to be security guards and educate the kids. "The future will also bring recognition of a person's voice," Frisina hinted, and added that software in the wings for TOPO will include TOPOLOGO and TOPOFOURTH.

Twenty-five TOPOs are ready for delivery, and will be sold through wide retail distribution. Promotion is scheduled for 1983. Attachments are being considered. Mark II and III models are being readied. Presently, TOPO is compatible with the Apple II, but Frisina said that by June, it would be ready for the Atari, Tandy and Commodore VIC 20 systems. The biggest problem developing the first home robot was "what should he look like?" the president added.

**LAS VEGAS**—Micro D has obtained full rights to copy and distribute the Bible on computer disk. THE WORD Processor, from Bible Research Systems (BRS), presents the complete text of the King James version on eight, 5¼-in. two-sided magnetic floppy disks. The program's entire 4.5 megabyte (4.5 million characters) data base, from Genesis through the Book of Revelation, is menu driven. Text manipulation software and a user's manual are included. The Bible on disk, packaged in a seven-by-nine-in. vinyl binder with a black leather finish, retails for \$199.95. It will be available to dealers this quarter.

**DAYTON, OH**—Fox Marketing has extended the warranty on its entire radar detector line from one year to lifetime. The company's newest detector is the SuperTrucker, designed for the professional driver. Other models covered include the Fox XK, XK Remote, and two superheterodyne models, the SuperFox Vixen and the Remote.



N.A.P.'s Odyssey taps Staup

**MANAGEMENT MOVES**—Stanley Harfenist has been elected executive vice president, chief operating officer for the Sega Consumer Products division. Brenda Mutchnick has been tapped for vice president of communications for Sega Enterprises...R.W. (Mike) Staup has been appointed vice president and general manager for the Odyssey brand of N.A.P. Consumer Electronics Corp. He replaces David Arganbright, who is returning to RCA...Keith Schaefer has been promoted to senior vice president of sales for the home computer division of Atari. Dave Ruckert has been tapped for senior vice president of marketing for the consumer electronics division, while Ronald Stringari has moved over to senior vice president of sales, merchandising and administration...Terence O'Kelly has been elected to the product manager position for BASF's flexible magnetic recording media line.

**LAS VEGAS**—Commodore will not be phasing out the VIC 20 for an equivalent Commodore 16 system in the near future—contrary to what dealers were hearing around the CES last month. Chairman Jack Tramiel dispelled such talk at a press conference, but did not rule out that the VIC 20 could be upgraded. Robert Lane, president of North American operations, noted that the one-millionth VIC had just been shipped, the 64 has been made available to the general retail market and that the firm was launching its 128K machine to replace the 64 for exclusive distribution to their computer dealer network. The firm's plans to distribute the 2K Max Machine in the U.S. in 1982 have been scrapped indefinitely. Commodore sales in 1982 were up 150 percent to \$175 million, Tramiel noted.

**CUMBERLAND, IN**—More than 20 million households want to buy a cordless telephone, a study from Electra Co. has revealed. According to the company, sales in the past three years went from 64,000 units in 1979 to what is projected to be a 1.6-million unit market this year. Seventy-five percent of those consumers most likely to buy have at least attended college. About 85 percent earn at least \$20,000 in annual family income. But the "typical" cordless telephone customer is 35 years old, earns \$35,000 or more a year, has a college education and is married with no children, estimated Samuel Martin, manager of new products and markets. The study showed that 25 percent of those most likely to buy would do so in the \$125 to \$150 price range. Discounters would get the largest share of business from this group (17.5 percent), followed by catalog showrooms and Radio Shack, with 15 percent each.

## PERSONAL ELECTRONICS/CES PRODUCTS

### Mura launches modem for computers, several telephone models at WCES

WESTBURY, NY—Mura has expanded into the computer peripherals market with its MM-100 non-acoustic mini-modem. Several telephone models also debuted.

The MM-100 modem is a self-contained frequency shift keying telephone interface, allowing computers to communicate with each other over ordinary phone lines. The unit's RS-232-C connector permits direct connection with all RS-232 computers, including Apple, Commodore, Radio Shack, IBM and Osborne. Suggested retail for the modem is \$99.95.

Also introduced is the Muraphone MP-710/711, an FM duplex communications product that is both a corded and cordless phone. The re-

mote handset is a separate complete telephone that has an operating range of 1,000 ft. The remote unit independently recharges itself with its own battery recharger.

Features include switchable tone/pulse dialing, two-way full duplex intercom between base and remotes, automatic call holding and automatic release of holding, five-channel operation and over 4,000 user-programmable privacy/security codes per channel. The suggested retail price is \$200.

Model 650/651, a cordless telephone, can be mounted on a wall or used on a tabletop. The FM full duplex product has a range of over 600 ft.

Features of the 650/651 include dialing out from the handset, push-button pulse dialing, concealed antenna, last number redial, automatic reset, paging from the base to the remote handset and security lockout to prevent unauthorized calls from being made. The phone lists for \$139.95.

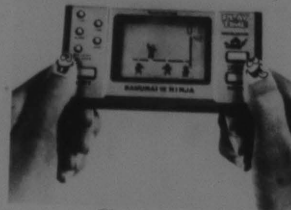
A standard corded wall phone was also unveiled. Similar in appearance to a standard Bell system wall phone, model WP-420 is fully modular. Universal dialing, ringer volume control, last number redial and automatic reset are featured on the ivory-colored phone. Suggested retail of the phone is \$59.95.

Mura, 177 Cantigue Rock Rd., M, Westbury, NY 11590.

### Thumb Games give choice of play level

SAN MATEO, CA—Thumb Games, a line of hand-held electronic games from Thumb Power, has been premiered in eight versions.

The games feature slim design, color graphics, beginning and expert



Thumb Games

play levels and double as alarm clocks, complete with built-in stands. Thumb Games run on nickel-cadmium batteries and feature LCD displays.

Titles include Samurai vs. Ninja and Jungle Adventure/Woodman, which feature alternating display graphics. The suggested retail price is \$42.95 each. Pipeline, Grassland, Kitchen, Under Construction, Space Station and Fish Catching list for \$29.95 each.

Thumb Power, 1185 Chess Dr., M, San Mateo, CA 94404.

### Watch's game play gets even tougher

LONG ISLAND CITY, NY—Game play on the Kopy Kat game watch from Armitron gets tougher as the



Kopy Kat game watch

player masters each sequence, the company said.

Special sound effects and a built-in alarm are also features on the watch. Its suggested retail price is under \$20. Armitron, 29-10 Thomson Ave., M, Long Island City, NY 11101.

### Women's calc designed as compact case

NEW YORK—The Solar Lady is a foldable, light-activated calculator designed like a woman's compact case. This model is one of the additions from Technico.

The calculator is powered with light, eliminating the need to change batteries. Four basic functions plus constant, percent, square root and independent memory are included.

Measuring 2 1/2 in. by 2 1/2 in. by 5/8

in., Solar Lady's suggested retail price is \$19.95.

Another entry in Technico's solar line is the Walk Card. This model has a pen clip for carrying in shirt pockets.

Constant, percent and square root are added to the four basic functions. Priced at \$19.95 list, the Walk Card measures 4-3/4 in. by 1-1/2 in. by 3/16 in.

A solar desk-top calculator offers an eight-digit readout and one independent memory. With all of the functions mentioned above, the unit also adds an oversize plus key and full floating decimal system. The suggested retail is \$19.95.

Technico, 1328 Broadway, M, New York, NY 10001.



Multi-line phone adaptor

### Newcomm unveils multi-line adaptor

N. KANSAS CITY, MO—The Phoneplex multi-line adaptor from Newcomm Electronics provides necessary features to duplicate standard six-button telephone instruments.

The Phoneplex works with any modular equipped telephone.

Indicator lights, a line-hold function and intercom capability are offered on the unit. The suggested retail price is \$98.95.

Newcomm Electronics, 1805 Macon Street, M, N. Kansas City, MO 64116.

### Casio's calculator is boxing game too

FAIRFIELD, NJ—A boxing game calculator from Casio serves as an alarm clock.

Calculator model BG-20 lists for \$29.95. When the game is activated, two boxers appear in the display area of the unit.

The player must knock out the champion by pressing various keys on the calculator marked punch, up/down and sway. As both boxers exchange punches, the calculator automatically keeps score.

LED clock and alarm functions are also featured.

Casio, Inc., 15 Gardner Rd., M, Fairfield, NJ 07006.



Code-A-Phone cordless

### Code-A-Phone cordless telephone trio prohibits illegal access by outsiders

PORTLAND, OR—A trio of Code-A-Phone cordless phones has been introduced by Ford Industries.

Models 7300, 7200 and 7100, with suggested retail prices of \$299.95, \$199.95 and \$139.95, respectively, are

model has a 100-ft. range.

Power on/off and hi/low volume switches plus low battery charge indicators are offered on all three wall-mountable handsets.

Models 7300 and 7200 feature bases with power, in-use and charge LED's, telescopic antennas, replaceable fuses and auxiliary phone jacks. The jacks allow hookup with a standard phone or answering system in addition to the handset included with the model.

Model 7300 includes a hold LED and base/handset intercom switch for communication between parties at base and handset stations. Model 7200 features a mute button. Replaceable telescopic antennas are standard on both the 7300 and 7200.

Ford Industries, P.O. Box 5656, M, Portland, OR 97228.

### Ohra adds in-band communication radio

TORRANCE, CA—The Walkphone from Ohra is an in-band, full duplex simultaneous communication radio in pocket-sized form.

In-band communication allows transmission and receiving of radio signals at the same time, the company said. Out-of-band models use widely separated radio frequencies, one for transmitting and one for receiving, and require a longer time period to complete a conversation.

Ohra Corporation, 3555G Lomita Blvd., M, Torrance, CA 90505.



Ohra Walkphone



## STORE OPERATIONS

# Get financial advice from volunteer groups, state/city government agencies, at no cost

(Continued from page 86)

3) **Small Business Administration Management Assistance Program.** This SBA program offers financial advice.

4) **Small Business Institute.** The Institute consists of graduate business schools which offer assistance to small businesses under a program established through the SBA. The free advice comes from faculty members and graduate students.

5) **Farmers Home Administration (FmHA).**

The FmHA concentrates on business advice to small businesses located within population areas of 50,000 or less.

6) **The Economic Development Administration.**

A branch of the U.S. Government.

7) **The Active Corps of Executives (ACE).**

ACE consists of executives who presently work in various businesses and professions who have volunteered to give advice during some of their free time.

Call your state, city or community government centers for the names of any other government agencies or volunteer groups which offer free advice. The names differ from community to community but generally speaking, most states and many large communities and municipalities have business development agencies or volunteer groups of executives who offer free advice.

### Consider a paid advisor

What about the use of a paid consultant? In addition to the activities of the unpaid advisor, the paid advisor should shop lenders without it appearing that your company is shopping rates. The lender will welcome having him involved because the lender knows that the consultant will bring to the lender only the type of borrowing prospects the lender is interested in.

Also, the written proposal will be professionally prepared in a way to save the lender from wasting his time. The paid consultant will help you negotiate the terms and review the documents prepared by the lender. He will serve as a buffer to keep disagreements on both sides from getting out of hand.

If you need under \$500,000 or if the borrowing problem is not complex, use a local advisor. The paid advisor

## Explain computers well

(Continued from page 5)

detailed and as simplified a literature and training program that they can devise to go along with the purchase of their products.

A great many retailers will be handling computer products for the very first time during 1983. If the industry doesn't make sure they're handled with care, then a lot of improper products and information could go out to the consumer that would turn him or her off to computers for many years to come.

We've seen it happen in other product categories. It would be a pity not to catch this mistake before we kill another potential golden goose.

in your area might be an attorney, accountant, investment banker, professional consultant or private investor. What is important is not the profession. It is that he has the right contacts, knows how to package the product and is able to get all the money you need at the least possible cost to you.

In almost every city there are individuals who have developed a good reputation for their capabilities to help businesses borrow needed money. They know who the right people are; they can get their foot in the door with the right people, and they have earned the trust of those people over a period of time. The specialist will know how to "package" your company properly and will guide you in merchandising your company to the lending party. In addition, he should be able to give an objective, independent opinion of the best form of financing.

The next question is, what factors should you be looking for in selecting the right advisor for you? First of all, look at his contacts. Ask him to give you references in each of the following four categories:

- 1) Bank officers
- 2) An officer of a major financing company, such as ITT or Borg-Warner
- 3) An attorney
- 4) A CPA

A reputable consultant will gladly give you references. The references will give you some idea about the contacts of the advisor. In the area of financing, contacts are exceptionally important.

Consider the case of a very successful group of businessmen who wanted

to buy a business they were operating as employees. They were pros in running the business. They assumed that because they had proven experience, the numbers showed great potential and they were putting in substantial equity, they would have no trouble raising money. Consequently, they drew up an agreement contingent upon financing being secured at a given point in time. They tried many sources on their own, but they had no commitment with only two weeks left on their option agreement. They hired a middleman who had the right connections with a major banking source. He was able to work out their total financing needs within two weeks.

Look closely at the experience of the consultant. Get references of financing he has arranged. Most successful financing consultants are those who are able to draw from their experiences. It would be a rare individual who, with only 10 or 15 years of experience after college, would be of maximum consulting benefit to a client.

You must also consider the advisor's educational background. An advisor should have a financing or accounting degree as well as good verbal skills.

### Ask for recommendations

How do you locate the advisor? For referrals to local consultants, ask your attorney or accountant if they have had any experience with a consultant they would recommend. Because so many factors must be present for the best chance of financing a package of over \$500,000, less than a handful of consultants have developed national

reputations in this field. If you have a complicated situation with \$500,000 or more involved, I would recommend using one of these consultants.

Consultants are paid in various ways. Most established consultants will charge a retainer. The retainer is paid to show good faith and to make sure the consultant does not waste his time on information which later turns out to be erroneous. In addition, the consultant will receive a percentage of the funds borrowed as a commission at the time that the money becomes available to the client.

The percentages differ with the potential source of the funds and the anticipated problems in raising the funds. For example, if the funds come through bank financing, the percentage is relatively small. It is much larger if the funds come through alternative sources of financing such as direct placement, financing companies, etc.

Generally, the consultants will provide that the fee be based upon an hourly amount without a commission if the funds are arranged through a government source such as the Small Business Administration. The greater the amount of analysis and preparation work you do on your own, the less you may be required to pay an advisor for a retainer.

In conclusion, I recommend you give serious thought to the use of an independent advisor. Whether you use free services or paid, the key is to be sure that you are not losing out on available money or less expensive terms because of your own lack of professionalism in financing.

For a list of recommended advisors, contact Allen Fishman, c/o Merchandising, 1515 Broadway, New York, NY 10036. Or phone 212/869-1300 #335.

## Problems in work area can indicate training needs

(Continued from page 87)

centrate on the needs and abilities of the person to be trained.

Develop your questions in advance and ensure confidentiality. Some areas to be covered include:

1. favorite and least-favorite parts of the job;
2. relations with co-workers, subordinates and supervisors;
3. the most common problems encountered and possible solutions;
4. future educational and career goals, and
5. personal interpretation of improvement needed.

• The performance review is basically an interview, but conducted by a direct supervisor. Question a supervisor after he has conducted a number of reviews on common problems within the work area. These problems will indicate training needs for the work group, or possibly for the supervisor.

A performance review deals with specific performance facts rather than opinions and the content discussed is on the record rather than confidential. (A performance review can, however be followed by a confidential needs interview.)

A well-planned review should relate specific situations that were handled improperly and some that were handled properly. A person's achievements should be acknowl-

edged, but the purpose of the review is to identify the employee's goals and responsibilities and whatever present performance deficiencies are preventing him from achieving them. These deficiencies will indicate training needs.

• The training advisory committee is made up of people who already excel in the area slated for training. They serve two important functions: First, they help to determine needs and develop a curriculum, and second, they can help to support and implement the program after its development.

• The needs survey is a tremendously valuable aid for determining a group's training needs. The survey is a form listing the specific skills and areas of knowledge necessary in order to perform a particular job as well as possible.

### Individuals rate themselves

Next to the list of skills are three columns. They are labeled "great need for training," "some need for training" and "little need for training." Each individual in the group to be trained simply indicates his own personal degree of need in each area.

Some skills that should be listed on a needs survey would be greeting, opening the sale, qualifying, listening, getting the customer to respond, etc.

The benefit of the needs survey is

that it supplies you with a lot of information from many people in much less time than the other methods mentioned. It is very easy to administer and can be altered for different positions, situations and levels of ability.

After each individual has listed his or her needs, you compare the forms to indicate the common needs. The more people that indicate "great need" for a specific topic, the greater the need for training in that particular area.

This method avoids boring a group by making them sit through training that is only required by one or two. Those unique individual needs can be handled later.

An interesting twist to this method of determining training needs is to give this survey to those supervising the group to be trained. Ask them to rate the needs of the group as they perceive them.

Needs indicated by the salespeople for themselves will differ greatly from those indicated by their supervisors. In all likelihood, the further up the ladder you go, the greater the difference will be.

Whether you use one of the methods described here to determine your training needs or other methods developed on your own, your training will be most effective when you can identify and deal with the true needs of those being trained.



# Merchandising

## Home and Auto Electronics • Housewares • Major Appliances

### Adding up '82:

#### Merchandising tracks winners and losers on the retail battlefield

##### Personal Electronics

Home to several of the strongest products of the past year — personal computers, videogames and telephones — the personal electronics category gains in shipments. Despite a down economy, these products were able to...

##### Major Appliances

As total shipments of all major appliances dropped to 29 million units in 1982, down from 33.4 million the year before, the industry heaved a sigh of relief. The worst it is believed, is over...

##### Video

The videodisc player surprised some in the industry in 1982 by making significant gains over the previous year's shipments. True, it is still nowhere near catching up to the videorecorder, but the videodisc player...

##### Housewares

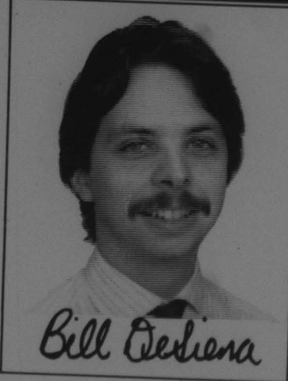
Discounting was the name of the game in housewares last year as prices were shaved on any number of products in an effort to generate sales. As one result, shipments of some old standbys registered healthy gains. On the list were kerosene stoves, lighters, purifiers...

##### Audio/Hifi

Autosound continued to be one of the bright spots in the audio picture last year. Even here though, the rate of growth was not what it had been in years gone by. Sluggish sales more than made up for the...

### 61st Annual Statistical & Marketing Report

## TRENDINGS IN PERSONAL ELECTRONICS



Bill Pediana

### Keyboard add-ons reposition game systems as computers

Computer keyboard add-ons for videogame systems are advancing over the horizon as videogame vendors seek to reposition their products within the low-end home computer area.

The decision to bring these keyboards to market is a timely one that could stall dealers who are cutting back or dropping videogames altogether.

Some are sacrificing videogame floor space to computers, figuring that their fourth-quarter momentum

will continue through most or all of 1983.

Just who will make up the market for these keyboards? How many of the 13 to 15 million game system owners will opt for the add-on instead of buying a home computer outright? The most potential, perhaps, will come from parents who wish to introduce their children to BASIC programming. In some households, they may even want to leave their home computer free for other uses.

With as many as 10 million Atari

VCS units now in use, it's no surprise that this is the system many keyboard manufacturers have chosen for their add-ons.

The first keyboard is scheduled for delivery this month. Spectra Video's Compu-Mate, retailing for less than \$100, has a 42-key sensor-touch keyboard, 2K RAM, a built-in music composer program and a Magic Easel program that lets the operator use a joystick to draw color pictures on the TV screen.

Entex's VCS keyboard, entitled the Piggyback, will enter the market this spring at \$129. It has a full typewriter keyboard, 3K RAM, and also interfaces with ColecoVision, provided the Atari VCS or ColecoVision owners can buy an expansion cartridge with 16K RAM, plus an expansion module, if they wish to add a printer, modem and another 16K RAM.

#### "My First Computer" debuts

And then there is the Atari keyboard. Dubbed My First Computer, it made its debut at the Toy Fair in New York last month. The unit, at about \$90 retail, won't be on dealers' shelves until the fall, so there will be plenty of time to see how the other keyboards are faring.

The step the vendors are now taking should affect the videogames in two ways. First, it takes them in new directions. Up until now, most add-ons have had one goal in common: to enhance game play. Adding a keyboard, however, changes the entire purpose and personality of the system.

This move may also curb dealers' efforts to cut back or phase out the videogame area. Despite a brisk Christmas, mounting competition has driven some retailers to think about getting out. At best, many cut back on the number of game titles they carried, awaiting releases to help pick up sagging sales.

A number of merchants have taken from videogames and given to computers, expecting the strong sales of Christmas 1982 will continue. The keyboard makers hope to halt this trend by maintaining momentum for game machines while attacking the low-end computer market.

#### Sell to the parents

The real question is whether consumers will shell out dollars for add-ons comparable to the price of the videogame hardware itself for only a limited amount of programmable memory.

Entex product manager Dimitri Criona said that parents will, if the keyboard is presented right. "Parents have a desire to do what's best for their kids," he added. "Today, this includes making sure they are computer literate."

Also, while the young child is learning BASIC and playing math and word games on the videogame system, the home or personal computer is still available to the adult for other purposes.

As with every other videogame product, price will fast become an issue with the computer keyboard. The first models are only starting at \$90 and up; Criona admitted that the \$129.95 tag on the Entex unit might drop to about \$100 by the fourth quarter.

And it's anybody's guess how low it and the others will go over the long run, and what effect this will have on sales and the state of the industry. ●

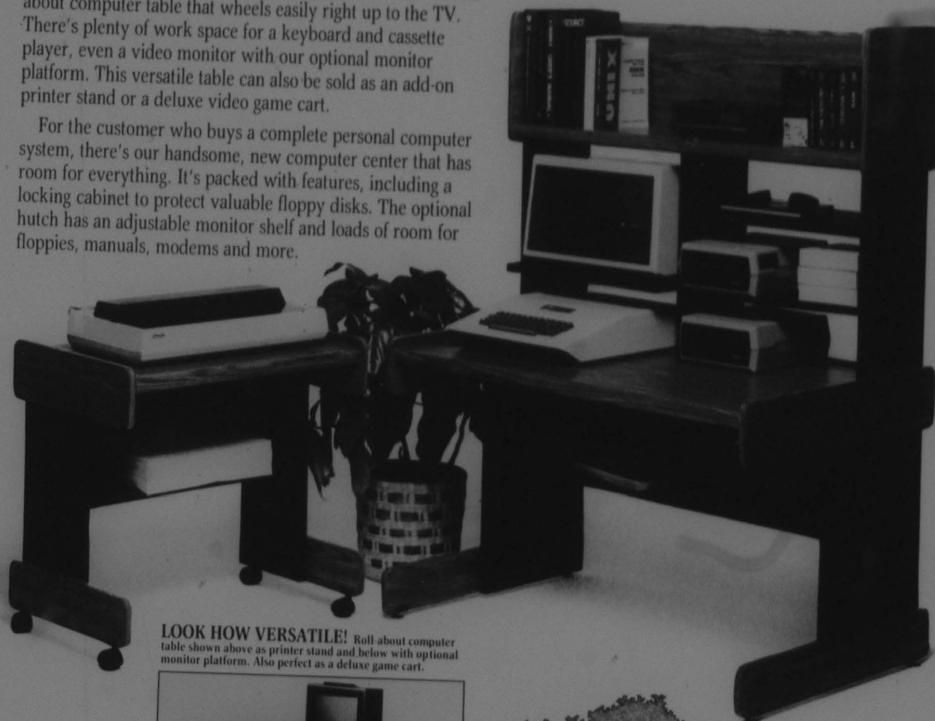
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No matter what kind of computers you sell, our brand-new line of modular computer furniture is the easiest way to make your profits grow. Because Bush offers you more options, more flexibility, more good ideas than anyone else.

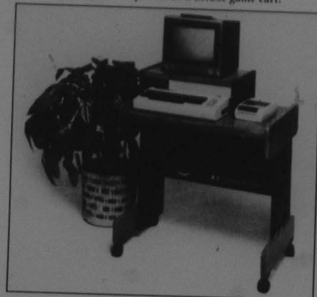
For example, a home computer is right at home on our roll-about computer table that wheels easily right up to the TV. There's plenty of work space for a keyboard and cassette player, even a video monitor with our optional monitor platform. This versatile table can also be sold as an add-on printer stand or a deluxe video game cart.

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61<sup>st</sup> ANNUAL

# STATISTICAL AND MARKETING REPORT

## As shipments slipped in most categories in 1982, entertainment and savings-oriented products performed well

It will probably not go down as anyone's favorite year. In 1982, most of the products tracked in this 61<sup>st</sup> Annual Statistical and Marketing Report saw shipments slip from the previous year's levels. And even those that did well had their problems as prices tumbled and margins all but disappeared.

The recession—which many had predicted and all had hoped would end sometime last year—lingered and deepened as 1982 progressed. As a result, the charts on the following pages paint a picture of the consumer electronics, major appliance and housewares industries that reveals a year of startling contrasts.

For the vast majority of products, shipments declined in 1982. But there were some notable exceptions in areas such as videogames, telephones, computers, videodisc players, kerosene heaters, some kitchen electrics and health care products.

What do the figures tell us? Looking at the charts directly, we see:

- significant declines in shipments for every single major appliance product;
  - increases for products, such as kerosene heaters, that can offer the consumer immediate savings;
  - decreases in shipments for virtually every high-ticket item that customers usually finance, and
  - a booming market for entertainment-oriented products, such as videogames and VCR's, capable of seizing the public's imagination.
- Reading between the lines, we find the causes for the above:
- a nation beset by the worst recession since the Great Depression;
  - unemployment at the highest level in decades;
  - housing starts at the lowest;
  - the highest interest rates in recent history, and
  - disposable income squeezed on all levels.

All of this made 1982 an extremely difficult year on the retail front, a year that picked up many of the good and bad trends begun in 1981 and elaborated on them.

### There were winners

Escapism played a major role in consumer purchases last year: Witness the growth of the videogame category. Hardware shipments increased 63.6 percent, to 6.5 million units. Videogame software shipments increased even more dramatically, by 69.4 percent to 61 million units.

With their appetites whetted by the first taste of interactive video, more and more consumers turned to the personal computer last year to carry the experience one step further. They drove computer shipments up 160 percent, to close to two million units.

Looking to bring Hollywood home, the public turned to VCR's and videodisc players in increasing numbers. VCR shipments climbed 52.6 percent, to two million units. And some 38.4 million blank and 6.5 million prerecorded tapes were shipped to feed their voracious appetites.

Videodisc players experienced a 50 percent increase in shipments, reaching 240,000 units—not exactly an earth-shattering figure, but a sign, nonetheless, that the product is catching on.

Finding themselves at home probably more than they would like, many consumers turned to a selected array of housewares that they could use to entertain themselves and their friends. As a result, shipments of hot air cornpoppers, hotplates and buffet ranges and other kitchen electrics in this league registered moderate growth.

Second only to their desire for entertainment came the consumers' need to save money in 1982. This prompted, among other things, the rise of the kerosene heater. Although a cool winter and some bad PR slowed sales, the category still experienced a 51.2 percent jump in shipments, to almost

four million units. Oil-filled heaters did even better growth-wise, showing a 100 percent increase, to 441,000 units shipped. Apparently, people were looking for money-saving alternatives to whole-house heating.

To cut down their phone bills, they turned to buying their own telephones. Some 4.5 million units were sold in 1982.

And looking to help reduce doctor bills, the health care category started to pick up, causing manufacturers and retailers alike to take a close look into this area.

### There were losers

On the downside in 1982, we find every major appliance made. The dormant housing industry took its toll, sending shipments plummeting. Air treatment was down 22 percent, kitchen appliances 12.3 percent, home laundry 9.7 percent and compact appliances 13.6 percent.

Even microwave ovens, always good for a spot of growth in past years, slipped 8.2 percent last year, to 4.2 million units shipped.

Some old standbys slipped in consumer electronics. Drawn by video, videogames and computers, consumers turned their backs on most audio products, hand-held electronic games and a number of other products.

And in housewares, outside of those products mentioned before, shipments were generally down.

### Tomorrow will be brighter

Overall, the prognosis for this year is somewhat improved over last year's. Most economic indicators point to a recovery, albeit weak, already in progress. Interest rates are down. Housing starts are up.

This bodes well, especially for the major appliance industry, where manufacturers are expecting to see a turnaround start in the second half. And other sluggish categories should follow suit, especially housewares, as move generates move and homeowners start sprucing up their new quarters.

Unfortunately, some claim that the resurgence in the housing industry may take from brown goods what it gives to white. As people start thinking about buying new refrigerators, ranges and other appliances, they may spend less on VCR's and videogames. The months ahead will prove if they are right or wrong.

No matter what happens, however, some products will prevail. The personal computer, for example, has obviously hit the fast track to stay for a while. We can expect to see shipments soar even higher this year as prices fall, more retailers begin selling them and consumers start computing in greater and greater numbers.

The videogame as we know it will probably be all but absorbed by the computer. This trend, already started, will gather momentum as the year continues.

In video, new developments in VCR's (high fidelity sound, new designs in portables, etc.) will continue to broaden the market. Growth will continue, although perhaps not at the same rate as it has in the past.

Videodisc players will continue to chip away at the market, slowly but surely expanding their installed base and strengthening the potential software sales.

The audio industry is looking for the debut of the digital audiodisc to put it back into the growth mode. Computer technology should shoot some pizzazz into the category, and at least make people sit up and notice some of the audio products they've been neglecting in recent years.

And sales should continue to grow for telephones as the entire industry redefines itself in the wake of the deregulation of AT&T.

All in all, the potential is there. If 1983 does not go down as a record-breaking year, it should at least point the direction to better days to come.

—Lee Rath  
editor

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Statistical matter for this survey  
was compiled by  
Saima Baski, market research manager,  
and Roberta Janasz, research associate.

Design: Thumbnail Group



# 5 YEAR TABLES HOME AND AUTO ELECTRONICS

# 61ST ANNUAL STATISTICAL AND MARKETING REPORT

PRODUCTS	1982		1981		1980		1979		1978	
	NUMBER SHIPPED (000)	RETAIL VALUE (\$000)	NUMBER SHIPPED (000)	RETAIL VALUE (\$000)	NUMBER SHIPPED (000)	RETAIL VALUE (\$000)	NUMBER SHIPPED (000)	RETAIL VALUE (\$000)	NUMBER SHIPPED (000)	RETAIL VALUE (\$000)
<b>PERSONAL ELECTRONICS</b>										
Calculators, Total	29,030	902,240	28,260	831,840	26,502	841,280	25,380	843,063	23,341	914,589
Hand-Held, Total	24,492	456,265	23,905	409,481	22,288	419,514	21,317	425,333	20,111	494,739
Mini-Card	2,406	40,493	2,760	46,920	2,754	57,834	2,598	57,156	2,050	61,500
Printer	1,302	68,837	824	44,496	659	47,448	573	47,559	475	41,800
Programmable	123	16,359	106	14,840	88	13,640	82	13,530	75	13,875
Other, Total	20,661	330,576	20,215	303,225	18,787	330,592	18,064	307,088	17,511	377,564
Scientific	4,760	*	4,367	*	*	*	*	*	*	*
All other	15,901	*	15,848	*	*	*	*	*	*	*
Desk-Top, Total	4,538	445,975	4,355	422,359	4,214	421,766	4,063	417,730	3,230	419,850
Display Only	875	52,894	915	55,815	927	54,693	946	56,760	930	60,450
Printer Only	880	73,982	1,123	95,455	1,095	95,265	1,106	99,540	1,400	197,400
Printer/Display	2,783	319,099	2,317	271,089	2,192	271,808	2,011	261,430	900	162,000
Personal Computers	1,950	—	750	—	371	—	246	—	212	—
Radar Detectors	608	104,497	518	87,542	464	72,848	576	69,660	719	—
Telephones†	4,521	449,939	3,155	289,395	2,643	222,779	2,244	163,156	1,418*	67,220*
Telephone Answering Devices	868	131,936	697	111,520	579	92,640	495	80,685	400	84,000
Videogames	6,542	846,662	4,010	519,095	2,806	327,909	2,700	201,177	4,142	261,319
Videogame Software	61,000	1,525,000	36,000	972,000	**	**	**	**	**	**
Non-Video Electronic Games†	14,045	—	16,539	—	19,702	—	16,083	—	5,656	—
Watches	24,274	611,219	23,595	625,268	21,163	623,030	19,717	648,654	17,750	642,500
Digital †										
<b>ELECTRONICS FURNITURE</b>										
Electronics Furniture, Total	4,628	556,868	4,144	487,334	**	**	**	**	**	**
Audio (components)	820	125,485	863	129,500	**	**	**	**	**	**
Audio/Video Centers	145	54,705	127	44,432	**	**	**	**	**	**
Home Computer Tables	150	23,250	50	7,500	**	**	**	**	**	**
Microwave Oven Carts	611	80,223	575	71,875	**	**	**	**	**	**
Stereo Carts	132	8,525	160	10,830	**	**	**	**	**	**
Television Carts	2,172	182,411	2,088	167,043	**	**	**	**	**	**
TV/VCR/Videodisc Player	331	68,912	281	56,154	**	**	**	**	**	**
Videogame Carts	267	13,357	—	—	**	**	**	**	**	**

\*Not broken out separately

\*\*Category not reported

†See Highlights charts for further information

## Personal computers blast to prominence; VCR's post a better than 50% gain; audio remains on the back burner

If it is remembered for anything in consumer electronics, 1982 will go down as the year that launched the personal computer boom. By the time 1983 rolled around, computers were being sold in virtually every type of retail outlet imaginable, and at price points well below \$100 in some cases.

Probably the biggest challenge facing retailers was what to sell and how to sell it. Consumers seemed eager to buy—viewing computers as beefed-up videogames that offered the family "something extra." But the market was swiftly inundated with new products, peripherals and accessories capable of confusing even the most computer-savvy dealers.

And to make matters worse, price wars were being waged from the bottom to the top of the computer category. Prices, discounts, rebate programs changed weekly. While the lower prices did bring many more customers into the market, the swiftness of their fall bred even more confusion. As a result, many retailers and consumers decided to sit back and wait until things get sorted out before they make their move into the computer age.

Meanwhile, however, the computer's influence was being felt in the videogame arena. Afraid of being left out, more and more game manufacturers are making sure their units can be upgraded to computers. Although it was not clear in 1982, it has since become apparent that few, if any, games will be left without keyboard add-ons by the end of 1983.

In videogame software, the year saw a rush of new manufacturers into the market, some more successful than others. Retailers found they were able to concentrate on ordering hot titles from each rather than remaining loyal to just a few lines. At the same time, however, prices began to crumble beneath all but the most popular games.

Activity in the telephone market was almost as hot and shows signs of getting even steamier this year. Shipments in 1982 showed healthy increases in all the categories tracked. Cordless models led the way.

As 1983 arrived, so did the deregulation of Ma Bell, which many see as the dawn of a new era in telephone retailing. Manufacturers and dealers

alike are now rushing into the void, hoping for the best.

Elsewhere in personal electronics, unit shipments for most calculators were reported up. Consumers, shopping almost strictly for replacement product, found units with more affordable prices and more features packed into them. Declining prices in the digital watch area also continued to bolster shipments in 1982.

In fact, the only real loser in the entire category last year was the hand-held electronic game. With the exception of some arcade and "edu-fun" titles, there was little action in this category as videogame systems continued to steal their thunder. But all may not be lost. Hand-helds featuring interchangeable game cartridges are just now appearing on the scene. And, who knows, they may be all the rage come Christmas.

### Video products shine

Although traditional video has stepped aside in deference to newer "stars" such as computers and videogames, many video products still posted impressive gains in shipments in 1982.

VCR's, for example, continued their surge, increasing by more than 50 percent over year-ago figures, despite court challenges which threaten to result in a surcharge on new machines and/or blank tape. Both the VHS and Beta format scored impressive gains, although market share between the two stayed essentially the same with VHS accounting for slightly more than 75 percent of the total market. The big winner was the portable format, which posted almost a 50 percent gain in shipments.

An impressive clue to the VCR's hold on the American imagination is the brisk sales of blank and prerecorded videocassettes. Here again, VHS dominates the market, although not quite as strongly as in hardware, with 70 percent of the shipments.

Disc players, both CED and laser, did not die in '82 as some had predicted. Solid percentage increases, however, belie the fact that '81 figures weren't that large to start with. A 50 percent increase in laser shipments, for example, means only that an additional 10,000 units were shipped last year. CED machines still held a commanding 87 percent of the market.

(continued on page 37)

MERCHANDISING

# ELECTRONICS HIGHLIGHTS

# 61ST ANNUAL STATISTICAL AND MARKETING REPORT

## RADIO

HOME RADIO SHIPMENTS BY POWER SOURCE			
Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Plug-In	9,639	10,542	- 8.6%
Battery-Operated	8,204	9,282	- 11.6
AC/DC Combo	8,675	8,057	+ 7.7
Total	26,518	27,881	- 4.9%

HOME RADIO SHIPMENTS BY TYPE			
Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
AM only	3,180	4,028	- 21.1%
FM & AM/FM	23,338	23,853	- 2.2
Total	26,518	27,881	- 4.9%

CLOCK RADIO SHIPMENTS BY TYPE			
Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Analog	785	1,700	- 53.8%
Digital, Total	7,804	7,702	+ 1.3
Electronic Display	6,637	5,736	+ 15.7%
Mechanical Leaf	1,167	1,966	- 40.6
Total	8,589	9,402	- 8.6%

SPECIALTY RADIO SHIPMENTS BY TYPE			
Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Multi-band	6,594	7,022	- 6.1%
Weather-band	1,075	1,038	+ 3.6
Scanners	829	920	- 9.9%

## PERSONAL ELECTRONICS/AUDIO

TELEPHONE SHIPMENTS				
Type	1982		1981	
	Units (000)	Retail Value (\$000)	Units (000)	Retail Value (\$000)
Standard	1,406	45,765	1,090	33,790
Decorator	1,592	159,200	1,284	115,560
Advanced Electronic	536	77,184	359	55,645
Cordless	987	167,790	422	84,400
Total	4,521	449,939	3,155	289,395

NON-VIDEO ELECTRONIC GAME SHIPMENTS			
Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Board (strategy)	3,357	3,739	- 10.2%
Hand-Held	10,688	12,800	- 16.5
Total	14,045	16,539	- 15.1%

DIGITAL WATCH SHIPMENTS BY TYPE			
Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Men's	17,673	17,163	+ 3.0%
Ladies*	6,601	6,432	+ 2.6
Total	24,274	23,595	+ 2.9%

BLANK AUDIOCASSETTE SHIPMENTS BY TYPE			
Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Metal Particle Tape	1,012	926	+ 9.3%
*Premium	132,826	129,967	+ 2.2
Promotional	102,506	97,254	+ 5.4
Total	236,344	228,147	+ 3.6%

\*High coercivity ferrite, cobalt ferrite, etc.

(continued from page 32)

The news was not so good on the television side, particularly in projection units where shipments dropped to 117,000. Color TV's enjoyed only a modest one percent growth rate. There, the only bright spots were cable-ready sets, units with remote control and 25-in. table models.

### Audio sales dip

Audio continued to play the role of the stepchild in the consumer electronics industry in 1982. Its bigger, stronger brothers in the personal electronics and video categories showed no mercy in claiming the spotlight and the bulk of sales for their own.

Component shipments slipped for the third straight year, with only cassette decks generating anything that could be called a sizable increase. At the same time, falling prices made an already difficult situation even harder for manufacturers and retailers to bear.

Compact systems fared no better. In fact, shipments here fell below the three million mark for the first time in years.

Even portable tape, a category that has shown consistent gains in recent years, slipped in 1982. It should be noted, however, that the elusive personal portable category continues to prove impossible to track. While

some sources indicate that approximately seven million were shipped last year, *Merchandising* has not been able to put together anything that could be considered a consensus of opinion.

The autosound category, usually a winner in years gone by, turned in a modest gain in shipments in 1982. But even here, growth was not what it used to be.

Software, however, was another story. Solid gains were made in the blank audiocassette area in the metal, premium and promotional categories.

All in all, many in the industry are looking forward to the rest of 1983, hoping for something of a resurrection in audio. Several factors—including the debut of the digital audiodisc and Beta HiFi—some believe, will breathe new life into this segment of the consumer electronics industry which has been so badly battered in recent years.

—Bill DeSiena  
associate editor/personal electronics

—Richard A. Marini  
senior associate editor/video

—Lee Rath  
editor/audio

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## Dealers count on '83 videogame releases to reverse even-to-down sales beginning

By Bill DeSiena, associate editor

VAN NUYS, CA—Videogame software sales in the first weeks of 1983 were about even with 1982 if not down a bit, according to retailers polled by Merchandising.

Dealers report that this came as no surprise. Since most of the year's new titles have yet to be shipped, few new hits have shown up on the charts (see Top 10 in Videogame Software on this page).

Those who sell videogames expect them to become generally less profitable this year. The price erosion that has affected the market recently will probably continue, they said.

It's not that prices for best sellers will fall below the roughly \$25 range. A hit is a hit. But dealers indicated that price cutting among the slower-moving titles will force them to stock fewer games and concentrate on the winners.

Some retailers have analyzed the situation and decided to leave videogame retailing up to the competition. They have either moved into the computer area or swung back to selling the old familiar products they know best.

### New titles awaited

Many of the titles announced at the beginning of the year have still not been released to consumers. "This is costing us dearly in sales," noted Joel Gilgoff, owner of the four-store G.A.M.E.S. chain in Van Nuys, CA.

While Atari has begun shipping its new titles—including Ms. Pac-Man, Phoenix and Fireworld, which Gilgoff said are starting to do well—his top sellers include such old standbys as Parker Brothers' Frogger and Atari's Pac-Man along with Coleco's Donkey Kong.

One reason the old games are doing so well is that Coleco's new titles are not yet on the store shelves, Gilgoff said. "Coleco hasn't come up with any new titles in over four months. As a result, a lot of my customers who own ColecoVision are buying the VCS adaptor so they can expand their software assortments." G.A.M.E.S. retails the Atari software adaptor from Coleco at around \$70.

The Atari VCS has dropped to \$89.95 retail, and if competition persists, Gilgoff is prepared to drop its price to \$79.95. Although the store isn't selling many VCS units, Gilgoff said, local mass merchandisers apparently are.

"New hits are just around the corner," said Bob DiGiacomo, electronics buyer at the six-store Lechmere chain, Waltham, MA. Ms. Pac-Man is available as is Activision's River Raid and Imagic's DragonFire. Donkey Kong Junior rounds out the new titles DiGiacomo has pegged as hits.

"But the game business is not what it was a year ago," he said. "Consumers have so much software to choose from, it's not at all like last year at this time."

His current hits are Activision's Pitfall, Frogger and Pac-Man, in the \$25 to \$29 retail price range. Six months ago, best sellers were moving at higher prices, but price erosion has even reached the hottest games, DiGiacomo added.

Frisco Electronics, an eight-store

chain based in San Antonio, has found software sales "way ahead" of the early 1982 period. "We have decreased the number of Atari titles we carry, because so many other name brands have produced hot sellers," commented Paul Brown, general manager.

He reported that pricing on best sellers has held steady, with most selling at \$23 or \$24. At least until the middle of February, Donkey Kong, Pac-Man and Pitfall were the top three titles.

Cartridge sales were reported about even with last year at Dahlkemper's, a six-unit catalog showroom chain headquartered in Erie, PA. Prices, noted buyer Al Jenkins, have remained about "average" with other area dealers.

Over the past year, Jenkins has moved from carrying mostly Atari to include other branded software. "I want to stay with themes that I know the customer will keep returning to, such as the arcade area," Pitfall, Donkey Kong and Pac-Man have sold best for Dahlkemper's since the year began.

Price erosion hit immediately after the holidays, according to Everett Purdy, senior vice president, merchandising, Service Merchandise, the catalog showroom chain. "But with some dealers getting out, I expect the category will stabilize," he noted.

Service did not meet its software sales figures of a year ago, and took some "pretty drastic" markdowns at the beginning of the year. However, Purdy explained, the chain "has not been quite as energetic as other retailers in the category, and does not have the same high inventory levels. We have been holding our own."

### Change stock methods

Service plans to fine tune its method of stocking videogames. Orders will be placed on a title-for-title basis, as needed.

What have been the best sellers since Jan. 1? Donkey Kong, Frogger and Pitfall.



THE HOT TITLES of 1983 will revive videogame software sales to consumers, retailers say. Many titles still await release.

At Video Magic, Richardson, TX, owner Manuel Aizen got worried when Mattel began running a buy-two-get-one-free promotion for its M Network cartridges for the Atari VCS. Atari then followed with a give-away, and Imagic has since offered its own premium. Now other vendors have taken up similar strategies to move product.

"Our sales are down from the same period in 1982. The games in general are just not moving as fast as they once were," stressed Aizen. The store has featured games for as low as \$4.99. Often, they are sold at or below cost, just to move them out.

Plans for 1983 call for cutting the number of titles and the amount of stock for each game. "We will also take a closer look at the ad support planned for each title," Aizen indicated. "That may influence our decision more."

Aizen has been most pleased with the performance of Ms. Pac-Man, Pitfall and Imagic's Demon Attack. Sales of Atari's E.T. and Raiders of the Lost Ark have held steady right to the present, and hot titles can still sell

(Continued on page 55)

## Merchandising's TOP 10 TEN

... in videogame software

1. River Raid (Activision)
2. Pitfall (Activision)
3. Frogger (Parker Bros.)
4. Ms. Pac-Man (Atari)
5. Donkey Kong (Coleco)
6. E.T. (Atari)
7. Real Sports Football (Atari)
8. Lock 'N Chase (Mattel)
- 9-10. Phoenix (Atari)
- 9-10. Spiderfighter (Activision)

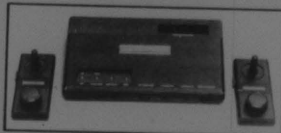
THE NUMBER ONE videogame title this month is River Raid by Activision. Merchandising's Top 10 in Videogame Software premieres with this issue, and will appear each month.



# NEWSLINES

## PERSONAL ELECTRONICS

### 12345



Coleco's Gemini console  
retails for \$99 suggested list



Merchandiser holds  
VCS-compatible joysticks



Epyx taps Katz (left) for president;  
Gardner named Starpath VP, marketing



**NEW YORK**—Atari joins Entex and Spectra Video by coming out with a keyboard for its 2600 video computer system. My First Computer will sell for about \$90 at retail when it hits store shelves for the first time in September. The product, which will debut later than the other keyboard add-ons, was unveiled at last month's Toy Fair. The Entex unit, at \$129 suggested retail, will hit the streets in April. But product manager Dimitri Criona figured that the price would be down to around \$100 by the end of the year. With Coleco's Atari VCS adaptor for ColecoVision, the unit can also be used with this game system. A 16K memory expander will be optional.

Spectra Video's CompuMate 2600 computer converter will be available this month at a retail price of under \$100. Like the other models, CompuMate will be backed by software and users will be able to program in BASIC.

**NEWS BITS**—Texas Instruments (TI) has discovered that some of its TI-99/4A computers could have a defective transformer part. The company said that "under certain conditions," there was a "remote possibility" that the AC9500 transformer could fail, possibly electrically shocking the user or damaging the unit itself. At press time, vice president, corporate staff Norman Neureiter said that all shipping of the 99-4A had been halted until further notice. If the Consumer Product Safety Commission approves, TI will distribute a transformer adaptor cord to users to correct the problem. All inventory at retail will be fixed to include the adaptor... Atari is making plans to switch the manufacture of home computer and videogame products from Sunnyvale, CA, to Taiwan and Hong Kong. The move, intended to reduce costs, will idle 1,700 workers, according to a recent New York Times article. Arcade game production and product development will remain in California... Will the Commodore 64 computer drop well below \$400 this spring? Most likely, one large dealer told *Merchandising*, because the company has dropped any suggested retail it had on the unit. Until a month ago, however, his distributor was paying \$357.50 for each unit... Coleco introduced the Gemini videogame console, an Atari VCS-compatible hardware system at the Toy Fair, for \$99 retail. "For the cost-conscious game enthusiast," Gemini will interface with a sound module that plays cassettes along with special voice-adapted cartridges. Also new is expansion module number four for ColecoVision, which takes wafers instead of cartridges. The system has about one million bits for storage, costs \$125 at retail and comes with two wafer games.

Consumer awareness of phone ownership is less than 60 percent, according to Pat Schoenberg, president of Contec Electronics. Less than 10 percent of U.S. households own their telephones right now, versus leasing from the Bell operating companies. The best argument dealers have to sell customers is the pay-off period, or how much is saved in a one-year time by owning. Contec unveiled 11 cordless and one-piece phones at CES.

**MERCHANDISING AIDS**—An in-store demonstration unit from Starpath connects to the Atari VCS and presents an 8½-minute, continuously running program explaining the Supercharger memory expander. The program demos the \$49.95 memory expander and explains the firm's Multi-Load game concept. The unit also invites the customer to play excerpts from Starpath's videogames. Retailers can purchase the unit for \$150, or co-op funds can be used toward the purchase... Apple Computer is using Pioneer's laser videodisc system in a p-o-p display, to let customers acquire information about using the company's computers. The system includes a television monitor equipped with a touch-sensitive screen overlay. The user can call up information by touching the proper section of an on-screen index generated by the Pioneer videodisc player. An adaptor provided connects the display system to an Apple, which implements the user's selection of a specific segment of the video program... "Hold Everything. With Compu-Table by Gusdorf" is the message in Gusdorf's new sales aids for its computer furniture line. A 19-in. by 38-in. banner, window stickers, countertop signs, decals, a handout and line art are available free to dealers... A red and black joystick display from Discwasher can be used as a shelf or freestanding unit for stacking. Each shelf unit can hold Pointmaster joysticks. The joystick fits the Atari 2600 system... A lucite display rack from Epyx will hold up to 24 computer games. Six titles can face the front, with a backup of three games behind each. The unit is free with the purchase of 24 games.

**MANAGEMENT MOVES**—Michael Katz has left Coleco to head up Epyx as its president and chief executive officer... Myrddin Jones has joined Commodore Business Machines as vice president of sales and marketing. He was formerly senior vice president of sales and marketing for N.A.P. Consumer Electronics... Robert Strickland has been appointed vice president of sales for N.A.P.'s Odyssey brand... Anthony Caputo has been named vice president/general manager of the Computer Security Division of International Mobile Machines... Starpath has elected Robert Gardner to the post of vice president of marketing... Zoom Telephonics has tapped Ralph Hays for its national sales manager position... Daniel Groulx has been appointed western regional sales manager for Sharp Electronics' consumer calculator division... Mark Horowitz has joined Casio as western regional manager, consumer products division... Michael Goin has been named western sales manager for the Aurora Impex Corp... A.E. Long has been appointed eastern regional manager of T.A.D. Avanti, manufacturer of Record-A-Call answering machines.

**NEW YORK**—Women will become the major factor behind the purchase of a home computer within two years. That's according to Micro D president Lorraine Mecca, in an interview last month with *Merchandising*. "Once a large enough audience is reached, the computer will become regarded as another home appliance," Mecca explained. As with other home furnishings, the women will play an important role in the computer purchase decision. As the computer is adapted for more and more household duties, women will be using it more often on a daily basis, Mecca continued. "For example, a bar code reader will eventually be available for the home. As groceries are bought, they could be recorded into the computer's memory, and a shopping list could be derived for the user each week." Software sales will also be affected by women owning computers, she pointed out. "Games may be the number one seller right now, but a year from now diet plans for the computer will be on top," she hinted. Distributor Micro D represents over 350 hardware and software manufacturers. Its subsidiary, Service Software, provides rack-jobbing services for less-experienced retailers.

## PERSONAL ELECTRONICS

### Demand for pagers, beepers may climb sharply: vendors

By Bill DeSiena, associate editor

CHICAGO—Already attuned to the portable convenience of cordless phones and CB radios, consumers soon may be shopping at electronics stores for radio pagers and cellular mobile telephone equipment.

As three things occur—the technology improves, competition among vendors grows and the services these products can offer increases—consumer demand for portable communications will climb sharply. That's the opinion of suppliers who assembled at last month's M/C Expo '83.

In fact, radio pagers or beepers starting under \$100 at retail have already been aimed at the consumer market. Total subscribers numbered two million in 1982, and projections see 20 million users carrying pagers by 1990.

At least one vendor sees retail distribution as the key to success for radio pagers and is launching a program to enter that market. Some dealers, like Radio Shack, Bloomington's and Public Phone Stores, will test the product this year.

Also on the horizon is cellular mobile telephone service for cars. However, the cost of this product (now projected at between \$2,500 and \$4,000) must dip to more reasonable levels before it can become a mass market item.

#### Cordless, CB turn people on

"Products like the cordless phone and the CB radio have turned people on to the need for more convenient communications," pointed out Jack Craven, president, Craven & Associates, representatives for Midland International. And retailers at the department store and electronic specialty store level will be the next step toward wider distribution in the portable communications area, he added.

Midland presently markets cordless phones through general retail outlets and land mobile equipment and radio pagers through mobile communications dealers.

The portable communications product that will first reach consumers is the radio pager. This is primarily because people are familiar with the product and it now carries a reasonable price. Pagers will start selling at under \$100 retail this year.

"They can be sold or leased at retail; it is a vital distribution channel. However, the pager must be sold backed with the services it offers," stressed David Post, chairman, PageAmerica.

PageAmerica is establishing a network of communications services for its pager product in local markets across the country. The firm is also attempting to market radio pagers through major retailers, such as electronics, telephone specialty and department stores.

"Until now, people have had to be stationary to send or receive messages. But with the approaching technology, consumers will be able to possess information on demand," Post added. Some PageAmerica pagers now sport alphanumeric LCD displays giving the user a telephone number to call or a brief message.

A consumer can either buy the pager and pay for the transmission service on a monthly basis, or he can

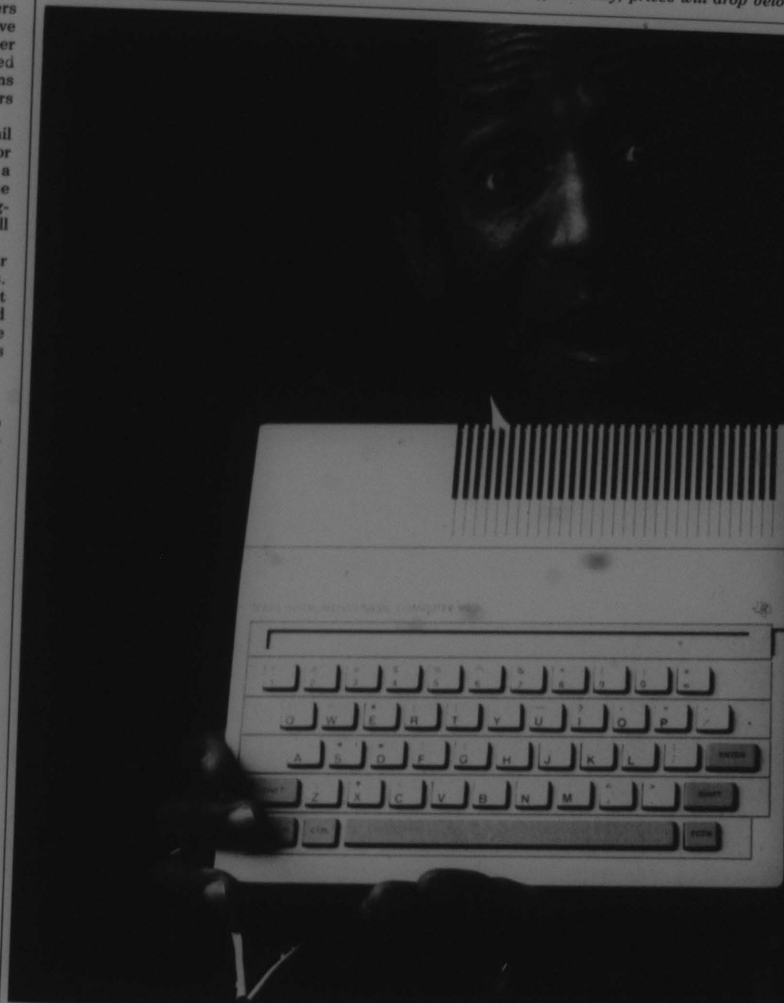
rent both the unit and service and make one payment every 30 days. PageAmerica's standard numeric pager retails for about \$350; service is \$15 per month. The device plus the service can be leased for about \$28 a month.

The firm recently test marketed its pagers with a phone specialty store in New York. In addition, Bloomington's is now giving the product space in its telephone department. Other retailers, working with various manu-

(Continued on page 53)



\$2,500 TO \$4,000 is the projected price range for cellular mobile telephones, reports Jose Sanchez, assistant planning manager, Panasonic (right), pictured now, with Toshimi Shimoyu, assistant manager, export marketing. Five years from now, some industry officials say, prices will drop below \$1,000.



### "A real computer for under \$100? TI isn't messing around!"

Meet the new 16-bit TI-99/2 Basic Computer for the student or enthusiast. The most powerful, low-priced computer this year — way ahead of the Timex Sinclair 1000™ in design, capability and consumer appeal. And up to 36K memory. It even has self-prompting, plug-in cartridges that teach consumers how to program! Just look at these features:

Full size, 48-key keyboard with built-in TI BASIC. Quality, flicker-free display. Easily expandable with a whole family of

low-cost peripherals, like a Cassette Program Recorder, Wafertape™ drive, printer and more — all compatible with our TI-99/4A Home Computer — keeping SKU's way down. And all helping to make 1983 the biggest year ever in computer sales.

For even more help, our outstanding POP display has popular software that can be self-demonstrated; our in-store demo program lets you ring up sales while TI personnel answer the questions; and we support it all with powerful advertising featuring

superspokesman Bill Cosby — selling hard and delivering high awareness. This is the year of the computer — and Texas Instruments is making it happen! Call your TI representative today.

Creating useful products and services for you.

**TEXAS INSTRUMENTS**

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## PERSONAL ELECTRONICS

# Vendors intro new watches to prevent flat sales in '83

By Debbie Rosenblum, field editor

LAS VEGAS—It's going to be, for the most part, another year of sluggish watch sales, according to exhibitors at the Winter Consumer Electronics Show. Last year's sales were nearly flat, and this year's aren't expected to be any better.

Some watch styles, however, will experience gains. Topping this list are quartz analogs and LCD sports watches retailing under \$100.

A couple of vendors hope to stimulate business by introducing innovative products. Timex showed what it said was the world's thinnest quartz analog calendar watch with a keystone margin and distribution limited to department stores and jewelers. Casio unveiled what it said was the world's first 25-function scientific calculator watch and the world's first watch that gives the temperature.

### Flat sales expected

Watch sales for some retailers this year will probably be even with last year. "I think the economy will keep it a flat market," said C. Michael Jacobi, worldwide vice president of marketing and sales, Timex.

A spokesperson for CBM America who refused to identify himself gave the same analysis. "Last year's sales were almost flat. There was something like a two percent increase industrywide," he reported. "With the way economists and the government are talking, it looks like '83 will be the same."

He continued, "The watch business is extremely tough right now. Why do you think Timex and other watch manufacturers are going into computers? It's because watches aren't selling that well and there are vast opportunities in the computer area. We're also diversifying. We're going into computer products just like everyone else."

Although '83 is anticipated to be quite gloomy, quartz analog models and LCD sports watches are expected to come up smelling like roses.

"The trend we see is in analogs. People's tastes are shifting back to the basics," said CBM's spokesperson. "I think \$50 and under are the most popular price points. There's not a lot of movement at the high end."

"Our strongest assortment is a quartz analog group both in men's and ladies'. Retailers are \$70 and \$80," reported Irv Weissman, Jordache Time.

"The general public is looking for thin, high-fashion, very smart styles at good price points—under \$100. Fashion and price are what's going to stimulate sales this year," he stressed.

Jacobi agreed, "The quartz analogs in the \$25 to \$50 price range are in highest demand." That's what's selling best for Timex in some markets.

Casio's manager of advertising and public relations, Gary Johnson, also noted the growing popularity of quartz analogs. That's one reason why the supplier just entered that part of the watch market.

"Casio is the world's leading manufacturer of digital watches. But digitals make up only 50 percent of the entire watch market," he explained. "With the introduction of our digital/quartz watch, we'll be able to

compete in the other 50 percent of the market."

The watch has a metal case and band and a black or white face. It has a daily alarm, hourly time signal, a tenth-of-a-second stopwatch capability, dual time and 12/24-hour time. Suggested retail is \$29.95. It is also offered in a gold tone priced at \$39.95.

Johnson also expects digital sports models to remain strong throughout the year. "In fact, we've added ladies' watches to our sports line

because it's been doing so well," he said. "We have seven ladies' models which we never had before." Retailers run from \$24.95 to \$49.95.

### New technologies debut

In addition to supplying these staple models, Timex and Casio hope to spark sales with new watches touting the latest technologies.

"We've introduced what we call the \$100 watch. It's the thinnest calculator quartz analog in the world," Jacobi pointed out. The watch also is "our first one to offer a keystone margin and we've restricted distribution to jewelers and department stores."

"Stores have been requesting from us for years a restricted line with a

keystone markup," he explained. "This watch is in response to that request. It comes in both men's and ladies'. And we plan to add to the line."

Promoting the "100 watch" will be television commercials and ads in major consumer magazines across the country. A special display also has been developed to help jewelers merchandise the watch. "It's a waterfall with a plaque that says 'The thinnest calendar watch in the world from Timex, \$100,'" Jacobi told *Merchandising*.

Meanwhile, Casio introduced two world firsts. The 25-function scientific calculator watch features everything from sine, cosine and tangent to a daily alarm. The 12-digit LCD also has

## WICO COMMAND CONTROL

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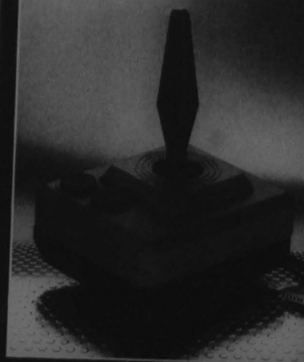
Two essentials for the popular IBM Personal Computer. The only controller that lets you use the WICO IBM Trackball. Even lets you use two different WICO controllers at the same time.



### COMMAND CONTROL

Analog Joysticks.

A 360 degree potentiometer-type control, designed specifically for the IBM-PC, Apple II® and other leading home computers.



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a 1/100-of-a-second stopwatch capability. "Most calculator watches can just add, subtract, multiply and divide. That's it," Johnson noted.

The watch has a black resin case and band. Suggested retail is \$39.95. It also is available in a metal case and band at \$49.95.

The second world's first from Casio is a temperature watch. It has a sensor which enables the user to get a corrected reading of both air and water temperatures in addition to a 13-digit LCD display, daily alarm, hourly time signal and 1/100-of-a-second stopwatch.

Retailing for \$49.95, the watch has a black plastic resin case and band. The lithium battery lasts about three years.



**GENERATING SALES GAINS** this year in the watch category will be quartz analogs and LCD sports watches retailing for under \$100.

## Vendors ask if pagers will suit mass market

(Continued from page 51)

facturers, are also testing the portable communications waters. Tandy Corp. (Radio Shack) is active in the Dallas market, and Public Phone Stores is testing product in the Washington, DC area.

Still, some suppliers question whether the mass market is ready to accept the idea of a pager for everyday use. "We see an eventual consumer application, but not just yet. Dealers will need to sell both the pager and the services it offers," explained Jose Sanchez, assistant for planning and research, Panasonic Industrial Co.

If Panasonic did approach the mass market, it would most likely start a pilot program with a Radio Common Carrier (RCC) with some previous merchandising experience, he continued. RCC's up until now, have provided the facilities needed to operate one-way and two-way communications devices, such as pagers and mobile radios.

Ken Kitowski, sales manager of National Marketing, a sales agency for NEC, said the firm sells pagers to RCC's, to two-way communications dealers and direct to users. "The industry has tried selling pagers at the department store level, but with minimal success," he commented. "Not that it wouldn't work in the future," he added.

### Cellular radio is here

Further down the road, cellular radio technology will enable mobile telephone users to have uninterrupted service as they travel across the country. Where mobile phone users are now limited to specific transmission areas, they will soon be able to travel from one "cell" to another, without losing a conversation. Computers will automatically switch calls from cell to cell.

It should take cellular radios another five years, however, before they reach the mass market.

The first cellular mobile telephones will be priced between \$2,500 and \$4,000, according to Sanchez.

A new line from Panasonic, scheduled for delivery in the fourth quarter, will have last-number redial, LED indicators and a 10-digit display for the number dialed. Some will offer up to a 10-number memory.

Sanchez figures Panasonic's models will initially be priced between \$3,000 and \$4,000.

At that point, they will be made available through first- and second-party sources, such as manufacturers and cell system operators.

In the future, however, subscribers will start to buy or lease their equipment from third-party sources, such as retailers, predicted technology analyst Daryl Messenger, Oppenheimer & Co.

Prices should drop over the next five years from above \$2,000 to \$1,500 to under \$1,000, she predicted. "About 1.5 to two percent of the population in major cities will have mobile telephones by then."

Many existing mobile radio manufacturers have pledged support to the cellular mobile telephone market. For now, however, the industry is at the stage where investors are looking to acquire the rights to a cell or cells, by filing applications with the Federal Communications Commission.

## WICO'S ARCADE QUALITY HITS HOME AGAIN AND AGAIN AND AGAIN!

Eleven new WICO ideas expand the Command Control line to 25 exciting products.



Last year WICO introduced the highly profitable Command Control line of joysticks and trackballs. Only Command Control gives consumers arcade quality — the same quality WICO uses in the controls it makes for over 500 commercial video games.

WICO Command Control — the only complete line of arcade quality video controls on the market.

### COMMAND CONTROL Three-Way Joystick Deluxe.

Tired of one handle? Slip on another! Or another! The feel is always arcade, and so is the action — with the proven precision and durability of WICO's arcade design.



## NEW! AUTHENTIC ARCADE QUALITY CONTROLS FOR HOME VIDEO GAMES.

### COMMAND CONTROL Power Grip Joystick.

The magic of ergonomic design makes this joystick perfect for hours of fatigue-free play — another first from WICO.



### COMMAND CONTROL Keypads for ColecoVision & Atari 5200.

WICO's new keypads now make it possible to use Command Control joysticks with today's two most popular home video games.



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# Software Library



CONSUMERS GET an inexpensive chance to pre-test computer software by renting it, says Arlene Cherniak, president of Software Library. Rentals are turned into sales at a ratio of three to one.

## PERSONAL ELECTRONICS

### Renting computer software could be next retailing trend

By Bill DeSiena, associate editor

MONTCLAIR, NJ—Will the rental of computer software be the next wave in retailing? Arlene Cherniak, president of the two-month-old Software Library, a sales and rental outlet, is ready to prove it will.

Because the computer software industry, unlike other publishing industries, has yet to develop its own means of pre-marketing, retailers are being forced to do it themselves. By setting up a rental program, the Software Library is:

- offering consumers an inexpensive chance to pre-test, use and return the product;

- turning rentals into sales at a rate of three to one;

- weeding out the software bombs from the biggies by listening to customer comments, and

- avoiding competition with large-volume mass merchants, who cannot make a profit in rentals.

In some ways the computer software market is paralleling the video market. The Software Library, for example, requires customers to join a club and charges an annual membership of \$50.

Also, like video, the software piracy issue is expected to grow hotter—especially as rentals evolve, Cherniak admitted.

#### Pre-sell titles to public

The Software Library opened its doors at the end of January. It was barely two weeks old when Cherniak told *Merchandising* why her rental program was bound to work.

In the first place, she said, people are finding it very hard to find out about computer software that is available.

"In the more traditional 'software industries'—books, records and video—methods of pre-marketing the product to the consumer have evolved over the years. Through the print and electronic media, the public is advised what to buy and where to buy it," she said.

With computer software, however, this is not so. Word-of-mouth, from one user to another, has been virtually the sole method of pre-selling the product.

Also, some software buyers are finding many programs are difficult to use without help. In most cases, Cherniak said, people who are good at writing programs are not necessarily good at writing the instruction manuals—yet this is a duty they are also expected to perform.

Furthermore, because good computer software is generally not available for less than \$25 retail, consumers want to be sure they will like what they buy.

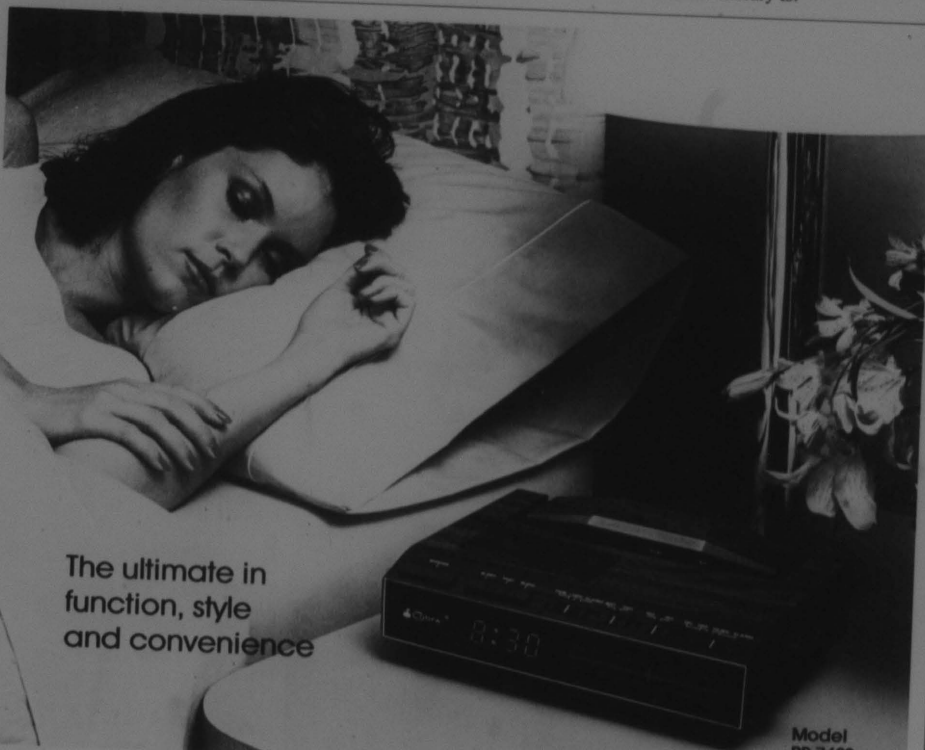
The Software Library, Cherniak said, should solve all of these problems. "Consumers are given a cheap way to pre-test software, determine its benefits and then either buy it or trade it in," she explained.

And most people are choosing to buy. In the first two weeks, the store converted rentals to sales at a rate of about three to one.

To date, the store handles mostly game titles. They fill the wall racks. Business-oriented software for home financing and office use, along with accessories, is displayed under a glass counter. The Software Library works almost solely with distributors, and stocks two of each title (sometimes in each format).

Before opening the store, Cherniak was unsure whether the bulk of her customers would own computers that cost more or less than \$500. She figured on the former, and stocked game and non-game titles for the Apple II and the IBM PC.

However, it turned out to be the Atari and Commodore VIC 20 owners who were looking for software. "So



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- AM-PM indicator • Easy to read large LED time display
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- Low silhouette design • Attractive walnut styling
- Slide rule dial indicator

DYNASCAN CORPORATION— Chicago, Illinois

we added an assortment of titles that fit these formats. The reaction from low-end hardware users really surprised us," Cherniak admitted.

Interaction with customers will help Cherniak to determine which titles are hot, which are not and why. "People have already come in and given us an unsolicited critique of a title," she said. "If they like it enough, they buy it."

#### Parallels video

Renting computer software at the Software Library is not unlike renting a prerecorded videocassette from one of the many nearby video stores. Cherniak has set up a club for customers with annual dues of \$50 which entitle each member to a free game rental plus the right to rent from the store.

Rental fees for most software titles amount to about 25 percent of the manufacturer's list price. Should the customer decide to buy the program, the rental fee is applied to the purchase price. The purchase price runs about 10 percent below the suggested list.

The list, discount and rental prices all are featured on the software package. A club member can rent games for a one-week period and business software for two weeks.

Again paralleling video, the piracy issue will probably heat up as the computer category does the same. "With rentals, the issue will grow even bigger," Cherniak admitted.

She favors any moves that the industry could take to deter software piracy, starting with printing warnings about prosecution for such action on the packaging.

Even with the potential piracy problem looming, however, vendors have been enthusiastic about the Software Library's rental program. According to Cherniak, Visicorp, makers of the Visicalc electronic spreadsheet, said it was surprised that rental programs have been so slow in developing. The company said

it thought such programs would have become popular more than a year ago.

Another reason software manufacturers don't resent the rental program is that it actually boosts business. "The rentals are evolving into sales in most cases," she reminded.

Cherniak said the main advantage of rentals for small, independent retail operations such as the Software Library is that it affords them the opportunity to establish a niche in an area where the larger hardlines dealers or high-volume mass merchandisers probably will not compete.

Even though one local department store, Bamberger's, has set up a computer department, Cherniak is confident that it will not get involved with software rentals. "It can't make

money that way," she said.

Because hardware is still needed to draw first-time customers, the Software Library stocks four brands of what Cherniak refers to as second-generation product: the Franklin computer and monitor; the Kaypro II portable computer; the Eagle computer, and the Gemini printer. These companies, Cherniak said, have worked "the bugs" out of their products—something many larger suppliers have yet to do.

"We've sold a dozen pieces of hardware already," she noted. "Hardware to software sales still run 60 to 40 percent in the industry, so selling hardware will help us to expand our customer base."

Software and hardware are all

merchandised in a selling space of about 12 by 16 ft. Although Cherniak would have liked a larger location, possibly in a mall, the present shopping strip location won out.

"With a bigger investment, we could have started off in a prime mall location with a lot of traffic and generated \$250,000 in sales the first year. But it's easier and much cheaper to start with a kiosk-size store and work for \$50,000 to \$60,000 a year," Cherniak reasoned.

No matter what size the store, however, she said she will stick to her merchandising strategy of handling software like a supermarket: Have it on the shelf and get it in the basket and out the door in the shortest amount of time.

## Software volume dips for some merchants

(Continued from page 49)  
for as high as \$34.99.

The northeastern electronics/appliance chain of Newmark & Lewis also noted a dip in software sales at the start of the year. "There has been a waning interest in videogames in 1983," noted owner Dick Lewis. Part of this drop, he said, is due to the attention consumers have been giving home computers.

Some dealers have chosen to drop videogames altogether.

An executive with one large electronics specialty chain said his stores had phased out the category because it was not expected to be profitable this year. The chain will, however, stay with selling personal computers.

Dow Audio/Video in San Diego is putting its videogame money back into stocking video equipment, said a spokesman for the company. The firm chose to abandon videogames because of intense price competition in its trading area.

"There is no price-cutting where the hot titles are concerned," G.A.M.E.S.' Gilgoff disagreed. "People come in and buy what they want to buy, whatever the cost. But if a cartridge is not worth buying, it's not around long."

# THE HANIMEX COMPUTACHESS TRAVELS ANYWHERE

The Hanimex Computachess Games are the world's most conveniently operated chess computers.

Developed from the Computachess I they include many new operating features which enhance the pleasure of using them.

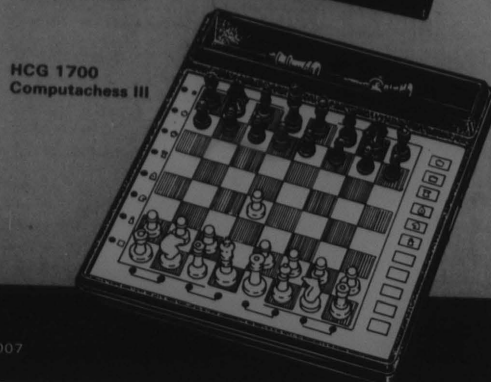
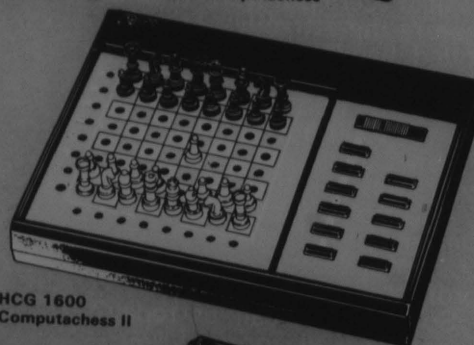
The fully portable machines run on batteries, are extremely economical on power consumption and offer a computer opponent that plays like a human.

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# PERSONAL ELECTRONICS/NEW RELEASES IN COMPUTER GAME SOFTWARE

## ACTION

**ANTI-SUB PATROL**, Roklan. Atari 400/800 compatible. Available now. Suggested retail \$29.95 for disk, \$19.95 for cassette.

**AZTEC**, Datamost. Apple II-compatible. Available now. Suggested retail \$39.95.

**MOUNTAIN KING**, CBS Software. Atari 400/800-compatible. Available in March.

**NIGHTGUNNER**, Softsync. Timex 1000-compatible. Available now. Suggested retail \$14.95.

**NIGHT STALKER**, Mattel. Compatible with IBM and Apple personal computers.

**9 TO 5**, Fox Video Games. Atari VCS-, 400/800-, Commodore VIC 20- and TI 99/4A-compatible. Available in May/June.

**PICK-UP**, Fox Video Games. Atari 400/800- and Commodore VIC 20-compatible. Available in May.

**PORKY'S**, Fox Video Games. Atari VCS-, Atari 400/800-, Commodore VIC 20- and TI 99/4A-compatible. Available in June.

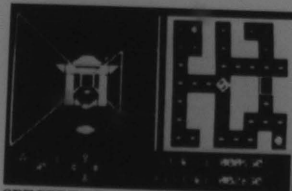
**RAT HOTEL**, Creative Software. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.

**REVENGE OF THE BEEFSTEAK TOMATOES**, Fox Video Games. Atari 400/800- and Commodore VIC 20-compatible. Available now.

**SEAHUNT**, Creative Software. Com-

modore VIC 20-compatible. Available now. Suggested retail \$17.95 for cassette.

**SECTOR ALPHA**, Spectra Video. Atari 400/800- and TI 99/4A-compatible. Available now.



**SPECTRE**, Datamost. Apple II-compatible. Available now. Suggested retail \$29.95.

**SERPENTINE**, Creative Software. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.

**THE BLADE OF BLACKPOOLE**, Sirius Software. Apple II 48K-compatible. Available now. Suggested retail \$39.95.

**TRASHMAN**, Creative Software. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.

**TURMOIL**, Fox Video Games. Atari 400/800- and Commodore VIC 20-compatible. Available now.

**VIDEO MANIA**, Creative Software. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.

**VOYAGE TO THE BOTTOM OF THE SEA**, Fox Video Games. Atari 400/800-compatible. Available in June.

## SPACE

**ALIEN**, Fox Video Games. Atari 400/800- and Commodore VIC 20-compatible. Available now.

**ASTROBLITZ**, Creative Software. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.

**BLACK HOLE**, Creative Software. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.



**K-RAZY SHOOT-OUT**, CBS Software. Atari 400/800-compatible. Available now.

**K-STAR PATROL**, CBS Software. Atari 400/800- and Commodore VIC 20-compatible. Available now.

**NIGHTRAIDERS**, Datamost. Atari 400/800-compatible. Available now on diskette. Suggested retail \$29.95.

**PLANET PATROL**, Spectra Video. Atari 400/800-, Commodore VIC 20- and TI 99/4A-compatible. Available now.

**SPACE BATTLE**, Mattel. Compatible with IBM and Apple personal computers.

**SPACEMASTER X-7**, Fox Video Games. Atari 400/800- and Commodore VIC 20-compatible. Available this month.

**STAR WARRIOR**, Epyx. IBM-compatible. Available now. Suggested retail price \$39.95.

**TERRAGUARD**, Creative Software. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.

**THE EARTH DIES SCREAMING**, Fox Video Games. Atari 400/800- and Commodore VIC 20-compatible.

**TIME SCAPE**, Spectra Video. Atari 400/800-, Commodore VIC 20- and TI 99/4A-compatible. Available now.

**TUBEWAY**, Datamost. Apple II-compatible. Available now. Suggested retail \$34.95.

**Top 10  
in Videogame Sales  
appears on page 49**

# Pacer Has It All! 10 Memory Dialer True Touchtone™

With Pacer Cordless Phones you get five different models to choose from. There's even a Pacer that can be switched from Pulse to true touchtone dialing, right from the handset!

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\*Range may vary depending on conditions

## PRODUCTS

### Commodore includes peripherals, voice unit, a hand-held computer/calculator in its lineup

WAYNE, PA—A voice synthesizer and programmer reference guide have been introduced by Commodore Business Machines for its model 64 computer. For both the 64 and VIC 20 models, the firm unveiled a color monitor, electronic drum set and a printer/plotter. Also added was a hand-held computer/calculator.

The voice synthesizer can generate a variety of voices—including female and children's voices—for games and learning cartridges. It will be usable from BASIC language. This peripheral has three modes of operation: two come with the basic module, and the third is available by purchasing optional cartridges.

With the synthesizer, speech can be generated while the computer's microprocessor performs other functions such as graphics/cartoon animation. Suggested retail price is under \$100.

A 486-page reference guide for the 64 includes information from the unit's computer chip specifications to memory maps. The manual's suggested list price is \$19.95.

For use with either the 64 or the VIC 20 computer, a 13-in. color

monitor has been debuted with a suggested retail of \$299.95. The monitor accepts a standard 75-ohm composite video signal or a "Commodore" video signal, with separate provisions for luminance and chrominance signal as well as audio input.

The Digi-Drum electronic drum set, with three pads, plugs into the computer's expansion port. It comes with software that allows the user to simulate a snare or base drum and high hat cymbal. The drums can be combined in routines and can be played back through a stereo system

or television speaker. During an exercise, three animated drums are displayed on a TV screen, which "perform" with each drum stroke.

A printer/plotter, at \$199.95 retail, uses 4½-in. roll paper and prints in four colors. Multi-colored graphs and charts are possible. The device can plot 480 dots vertically and 999 vertically, and can be programmed from BASIC.

Also unveiled was the HHC-4, a hand-held computer/calculator. The product can be connected to a TV for full screen computing. The compact

unit has 4K RAM and is expandable to 16K RAM with the addition of a plug-in expansion cartridge.

The computer has a standard typewriter keyboard, with a separate calculator keypad. Information can be viewed on a built-in 24-character liquid crystal display.

A combination mini-printer and peripheral interface provides 24-character-per-second printing and the option to connect to larger dot-matrix printers.

An RS-232 interface lets the HHC-4 connect to other Commodore computers. The portable is powered by three AA batteries.

Commodore Business Machines, The Meadows, 487 Devon Park Dr., M. Wayne, PA 19087.

### O'Sullivan intros modular work area

LAMAR, MO—A modular computer system workcenter from O'Sullivan Industries is made with 18-gauge steel support rails. Its top shelf and side panels are finished in Bartonwood vinyl laminates.

The top shelf features twin cord holes to keep equipment lines out of



O'Sullivan workcenter

the way. Adjustable steel glides enable leveling of the workcenter. The CT721 can fit a monitor, keyboard, disk drives and a printer.

Measuring 27 in. high, 26½ in. deep and 47½ in. wide, the system lists for \$149.95. Also available is a modular printer stand for \$149.95 and a 90-degree corner adaptor for added room, \$44.95.

O'Sullivan Industries, 19th and Gulf St., M. Lamar, MO 64759.

### Cartridge storer holds 32 games

HAVERHILL, MA—Savoy Leather Manufacturing has come up with a videogame cartridge storage case holding up to 32 Atari VCS or Mattel Intellivision-compatible games.

A pocket file stores instruction booklets or other literature. The case is wrapped in a four-color package and comes with a one-year warranty. The suggested list price is \$24.95.

Savoy Leather Manufacturing, 260 Neck Road, P.O. Box 176, M. Haverhill, MA 01830.

# International Summer Consumer Electronics Show

## CHICAGO SUNDAY, JUNE 5 – WEDNESDAY, JUNE 8

Gateway to the \$20 billion consumer electronics market

The world's largest consumer electronics show for the trade grows even larger: over 700,000 net sq. feet of exhibit space, more than 1,000 exhibitors and an expected attendance of 75,000 visitors who will see the newest, most important, most wanted electronics products and technologies of the year.

Never has a Summer CES offered products of such wide variety—Audio, Video, Computers, Personal Electronics, Telephones, Games. Everything from a \$5.00 digital watch to a \$10,000 home entertainment system, from hundreds of cordless phones to thousands of video and computer games. They're all here—in greater depth and variety than ever before.

And this summer, a new 150,000 net square foot facility, McCormick West, will be devoted exclusively to computers and games hardware and software exhibits.

But the value of CES goes far beyond the exhibits. It's a total industry forum and the most important industry media event of the year. You'll have a chance to visit and participate in:

**Conferences and Seminars.** Five 2-hour sessions devoted to new product trends, marketing, merchandising and promotion. And 16 hours of workshops at McCormick West devoted to computer and games retailing.

**Retail Workshops.** Round table discussions on improving retail profitability.

**Retail Resource Center.** Twenty-five exhibitors offer advice and materials to assist you in advertising, sales training, financing, auditing, insurance.

**Design and Engineering Exhibition.** Spotlights over 100 of the industry's most innovative new products.

**The Software Showcase.** A new exhibition of this year's most original programming for VCR, videodisc, computers and games.

For a profitable head start to the products and ideas that will affect your market for the Fall and Winter selling seasons, be sure to attend the Summer CES.

1983

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Mail to: Consumer Electronics Show  
Two Illinois Center, Suite 1607,  
233 No. Michigan Ave., Chicago, IL 60601



Produced by the  
Electronic Industries Association  
Consumer Electronics Group

## PERSONAL ELECTRONICS PRODUCTS

### Spectra Video introduces personal computer; peripherals and software join \$299.95 unit

NEW YORK—Spectra Video has unveiled a \$299.95 suggested retail personal computer. The Challenger (SV-318) is joined by a full line of hardware peripherals and over 100 educational and entertainment software programs.

Computing power features include built-in 32K ROM memory capacity expandable to 96K; built-in 32K RAM capacity expandable to 144K, high-speed processing, built-in extended Microsoft BASIC interpreter/internal monitor program (machine code) and built-in 2.2 CP/M and CP/M Plus compatibility.

The keyboard offers 71 keys, upper and lower case alphabet, 52 graphics symbols, 10 user definable functions,



Spectra Video's home computer

16 separate colors addressable from the keyboard and a word processor.

Also built into the keyboard is a joystick, separate game cartridge slot, high resolution graphics (256 x 192) and program "status" line on screen.

Screen layout provides 32 characters per line in the graphic mode and 40 per line in the text mode (24 lines in both modes). Editing specifications include cursor control (up/down/left/right/home/clear), insertion and delete keys.

Input/output specifications include composite video and audio output for TV modulator, an interface with data cassette, a display output of 32 dot matrix characters by 24 lines, and 16 separate colors with each row possessing a different foreground and background color. Audio capability provides three sound channels at eight octaves per channel.

The fifteen hardware accessories available include the SV-903 dual

channel/stereo data cassette drive, SV-902 floppy disk drive, SV-901 dot matrix printer, SV-601 seven slot expander, SV-701 dual band rate modem, SV-105 sensor touch graphic tablet and SV-602 single slot expander.

The SV-801 disk drive controller cartridge, SV-802 Centronics printer interface, SV-805 RS-232 interface cartridge, SV-806 80-column display card, SV-803 16K RAM expander cartridge, SV-804 32K RAM expander cartridge and SV-101 Quick-Shot joystick controller are also offered.

Spectra Video, 39 West 37th St., M, New York, NY 10018.

### Mattel unveils its new home computer

HAWTHORNE, CA—Mattel Electronics has unveiled its first home computer, the Aquarius, with built-in 4K byte capacity. A variety of expand-



Aquarius home computer system

ers introduced allow the computer to be upgraded to 52K capacity.

The product features built-in BASIC and uses LOGO cartridges for first-time users. A 13- by six-in. 49-digit moving key keyboard, thermal printer, a data recorder for program storage and a mini-expander with hand controllers for game play make up the entire system. The keyboard itself will have a suggested retail under \$200.

Four types of programming will be readied for the system: home management, education, entertainment and self-improvement.

Mattel Electronics, 5150 Rosecrans Ave., M, Hawthorne, CA 90250.

### GTE rearranges key design on phone

ST. PETERSBURG, FL—Instead of using the traditional matrix keyset arrangement of pushbuttons, GTE has unveiled a two-piece electronic tele-



Linear telephone

phone with a line of keys across the bottom face of the product. A cordless Flip-Phone also debuted.

The Linear model comes in two versions: one with pulse and the other with tone dialing. The pulse model, with a suggested retail of \$69.95, allows pushbutton operation on most private lines. Last-number redial and an electronic hold feature are offered.

The touch-dialing phone, at \$79.95 suggested retail, also offers electronic call hold. Both models have an electronic tone ringer that can be adjusted to high, low, or off.

The Flip-Phone cordless model lets

the user make or receive calls up to 800 ft. away from the base unit. The handset folds closed when not in use. Paging, memory dialing and mute features are found on the 300 model. The handset has an electronic ringer and pulse dialing.

GTE, 11601 Roosevelt Blvd. N, M, St. Petersburg, FL 33702.

### MTI launches line of computer disks

GARDENA, CA—Magnetic Tape International (MTI) has launched a line of 5¼-in. and eight-in. ZiMag computer diskettes.

The 5¼-in. diskettes come in single-side/single-density, single-side/double-density and double-side/double-density formats. Eight-in. diskettes are offered in single-side/double-density and double-side/double-density formats.

All are packaged in single and triple packs, shrink-wrapped and ready for J-hook hanging.

Magnetic Tape International, 14600 So. Broadway, M, Gardena, CA 90248.

### Two new cordless phones by Midland allow use of two-way intercom feature

KANSAS CITY, MO—Midland has added two cordless and two one-piece electronic phones for the first half.

Cordless model 80-275 offers nine-number memory dialing and two-way intercom when an optional plug-in phone is used. A hold button, simultaneous talk/listen capability and hardware for desktop or wall mounting are also featured. The suggested retail is \$179.95.

Model 80-260 allows use of a two-way intercom feature by adding

an optional hard-wire plug-in telephone to the base. Remote extension phone recharges automatically.

Features include last-number redial, call buttons on the base and handset for paging and security lock out when the handset is inserted into the base unit charger. The unit, at \$149.95 suggested list, can be used on a tabletop or wall.

A plug-in phone, model 80-430, has Touch-Tone and rotary dialing and stores up to 10 numbers in its memory. All numbers up to 16 digits in length can be recalled with one touch of a button. A privacy switch, the LED light, indicates muted conversations. A disconnect switch automatically ends the conversation when the handset is placed on any flat surface or hung on the wall. The suggested retail price is \$59.95.

Model 80-401 has last-number redial, privacy switch for muted conversations, an on/off ringer switch and hardware needed for wall mounting. The suggested retail price is \$22.95.

Midland International, P.O. Box 1903, M, Kansas City, MO 64141.



### TAC-2

Totally Accurate Controller™  
JOYSTICK CONTROLLER FOR ATARI GAME, SEARS TELEGAME, ATARI 400/800, COMMODORE VIC™  
If your joystick is like most, you can't feel when you have made a move. You only see it on the screen, when it's too late. Suncom has a solution. TAC-2, Totally Accurate Controller — 2 fire buttons.  
With its longer shaft, arcade style ball top, and exclusive Suncom internal construction, TAC-2 gives you that extra control...you can feel absolutely, positively, for sure, exactly when you have made a move. And with its 2 fire buttons, TAC-2 is equally fair to left handers and right handers.  
TAC-2 comes with Suncom's famous 2 year warranty. And it comes with something else. Totally Accurate Control.

### StarFighter

for apple  
JOYSTICK CONTROLLER FOR APPLE COMPUTER™  
You own an Apple Computer. You probably use it for entertainment and to play games. We think that you deserve a controller that is as up and keeping with new technology as your computer. So we designed one. From scratch, brand new internally. Starfighter for Apple.

Our engineering staff has spent months creating, designing and refining the Joy-Sensor. The digitally simulated joystick controller with no stick, to bring you just the right combination of control and responsiveness. Now, the slightest movements on your game screen. Rock your finger or thumb back and forth, and it seems like Joy-Sensor has read your mind. Moves are executed much faster because there is no stick to move, no resistance to movement.  
Your ships will fly across the screen as easily as light flies through space. Your laser rays will fire exactly when you want them to. You will never go back to your old joystick again.

Suncom  
605E Anthony Trail, Northbrook, IL 60062

\*Products and trademarks of Atari, Sears, Commodore, Apple Computer.



Cord-Free model 80-275



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radio, 4-color national magazine ads, point-of-sale, co-op and unique consumer promotion—FREE manuscript at 100,000 points, (detailing the reputed mystery of the Bermuda Triangle.) FREE replica artifact from the underwater city at 500,000 points. Give your customers a fright, your bankers a thrill. See your DATA AGE<sup>™</sup> distributor, right now.

**DATA AGE**

THERE'S A LOT MORE TO OUR BUSINESS THAN FUN AND GAMES.

## PERSONAL ELECTRONICS PRODUCTS

### TI adds computer for \$99.95 retail

DALLAS, TX—Texas Instruments has unveiled the TI-99/2, a 16-bit computer for less than \$100 suggested retail.

The system accepts both solid state cartridges and cassettes, and has 4.2K bytes of built-in RAM. Memory can be expanded to 36.2K.

The \$99.95 computer will accept any peripheral developed for Texas Instruments' compact computer family, including the HX-3000 RS-232 interface, the HX-2000 Wafertape digital tape drive unit and the HX-1000 four-color plotter/printer.

Modems, printers, a wand input



TI-99/2 computer

device and a black-and-white TV monitor will be available in the second and third quarters. Cartridges for the systems list for \$19.95; cassettes on software run at \$9.95 and \$19.95.

For the 99/2, a video cable and

antenna switch included are used to connect the computer to any TV set. A cassette interface cable is included.

Texas Instruments, Inc., Consumer Products Group, P.O. Box 225012, M-S 84, M, Dallas, TX 75265.

### Sharp introduces Student Computer Kit

PARAMUS, NJ—Among the entries from Sharp this half is the PC-1250 Student Computer Kit. The compact computer uses extended BASIC programming with commands and statements that make the unit comparable with many personal computers, the company said.

With 24K bytes of ROM and 2.2K bytes of RAM, including 1.7K bytes of user area, the PC-1250 has 18 reversible keys for frequently-used commands, statements and functions.



Student computer with printer

Other features include Memory Safe Guard to protect stored information after the unit is turned off, a typewriter key layout and 10 numerical keys. A special pass code function limits program access only to those who know the code.

This computer has a 24-digit dot matrix display, reverse program/run mode selector and an automatic shut-off to save power.

The kit includes a computer handbook. Measuring 5-5/16 in. wide by 2 3/4 in. deep by 3/8 in. high, the kit comes packed with a wallet case.

Sharp Electronics Corp., 10 Sharp Plaza, P.O. Box 588, M, Paramus, NJ 07652.

### Solid oak/walnut chests hold pushbutton phones

SANTA ANA, CA—Microcommunications Corp., a subsidiary of Microsemiconductor, has added the Chest Phone to its line of wood telephones.

Model 59 comes in either solid oak or a combination of a solid oak base



Chest Phone

with a walnut top. The keyboard and handset are accessible through a pressure-sensitive finger touch latch.

The phone has pushbutton dialing and is available in either pulse or tone. Suggested retail for the Chest Phone is \$199.95.

Microcommunications Corp., 2830 S. Fairview St., M, Santa Ana, CA 92704.

### Use selector to eliminate game cartridge removal

COSTA MESA, CA—The Videoplex from Compro Electronics, an electronic game selector, plugs into the videogame console to eliminate manual game switching.

The firm said that the device will protect cartridges from wear and tear and extend video console life. Model A800 plugs into the 2600 Atari, while model M800 is compatible with Matel's Intellivision. The suggested retail price is \$59.95.

Compro Electronics, 365-B Clinton St., M, Costa Mesa, CA 92626.

**W**ho buys your video games, VCRs, home computers, audio equipment—in fact, most all your consumer electronics products? Simple. The Well-Connected.

And, who are they? Latest syndicated research reports that they're adults between 25 and 44 years of age who work as professionals or managers, have graduated from college and have household incomes of at least \$25,000.



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Find out more about our Well-Connected audience. Call Steve Wholley, Home Electronics Manager at (212) 350-2105 or your local Newsweek representative.

Source: 1982 Fall MRI

\*Top 15 magazines in pages and dollar volume as measured by PIB (Jan.-Sept. 1982) for the H-300 category.

**Newsweek**

## TOY FAIR PRODUCTS

### Zaxxon is one of three arcade games by Coleco converted to tabletop format

HARTFORD, CT—Three popular arcade games have been converted to tabletop units by Coleco, the company announced.

The 3-D effects of arcade Zaxxon are recreated in the tabletop version, the company claimed, through the use of two vacuum fluorescent and interacting displays.

Donkey Kong Jr., chronicles the feud between Mario, the carpenter,

and the mighty Donkey Kong. In this game, however, Mario has captured and caged papa Kong and Junior must come to the rescue.

In Ms. Pac-Man, our lipstick heroine chomps her way through the maze while the infamous lurking monsters plot her downfall. The tabletop version features head to head action as well. Two players each have their own joysticks and can direct their own Ms. Pac-Man (clones?) through the maze.

Coleco Industries, Inc., 945 Asylum Ave., M. Hartford, CT, 06105.



Tabletop Donkey-Kong Jr.

### Parker Bros. intros tabletop Q\*bert

BEVERLY, MA—Q\*bert, the Sisyphean of the arcade world, has made the transition to tabletop version. Like in the arcade game of the same name, Q\*bert's endless task is to bounce from one pyramid cube to another, changing their color along the way.

Once he has turned all 15 cubes, he is rewarded with another, more difficult pyramid. Meanwhile, a host of



Parker Bros. Q\*bert

nasties, such as bouncing balls and Coily the snake, attempt to foil his efforts.

Q\*bert has a suggested retail price of \$60.

Parker Brothers, 50 Dunham Rd., M. Beverly, MA 01915.

### Binoc-type games feature 3-D images



Tomytrionics 3-D

CARSON, CA—Tomy Corp.'s new binocular-like videogames offer 3-D viewing in three separate games. Called Tomytrionics 3-D, they come in Planet Zeon, Thundering Turbo and Sky Attack versions.

Separate images for the right and left eyepiece give players a real 3-D viewing-area and digital readouts and full-color graphics complete the effect. For parents, Tomy has equipped the games with on-off sound switches.

Tomy Corp., 901 E. 233 St., P.O. Box 6252, M. Carson, CA 90749.

### Popeye, Bluto fight it out in hand-held

REDMOND, WA—Both licensed and original characters grace a new line of pocket-sized videogames introduced by Nintendo. Two game modes were introduced as well. The first, called Multi-Screen Game Watch provides two screens of play on which different action takes place simultaneously. Four versions available are Mickey & Donald, Donkey Kong, Oil Panic and Greenhouse. Wide-Screen Game & Watch comes in eight versions with an extra wide screen to contain the action. These games include Donkey Kong Junior, Popeye, Snoopy Tennis, Mickey Mouse, Parachute, Octopus, Fire and Fire Attack. As the name suggests, Game &



Wide-Screen Game & Watch

Watch units are timepieces as well. Nintendo of America, 4820-150th Ave. NE, P.O. Box 957, M. Redmond, WA 98052.

### Male action figures star in hand-held

HAWTHORNE, CA—Three recent additions to Mattel's line of portable hand-held videogames include a take-off of the company's male action figure line, a rendition of a popular arcade game and a pocket-sized version of a highly successful fantasy game.

The first, called Masters of the Universe, requires the player to guide



Masters of the Universe

the He-Man character through a challenging maze to find the magic sword and enter the castle Greyskull.

Next, Burgertime challenges the player to assemble hamburger in-



Mattel Burgertime

redients while avoiding the bad guys, Mr. Hotdog, Mr. Egg and Mr. Pickle. Experienced players can even trick these rogues into becoming part of the hamburger.

Finally, Dungeons & Dragons involves finding the arrow and next stalking and slaying the evil dragon. A mysterious dungeon labyrinth makes the task all the more difficult for the player.

Mattel Electronics, 5150 Rosecrans Ave., M. Hawthorne, CA 90250.

### New MB games blend board, arcade

EAST LONGMEADOW, MA—Combining board game strategy, arcade skill and betting ability, Arcade Mania from Milton Bradley is designed for both children and adults. The game pits players against each other in a series of videogames played

games (Alien Raiders, Rattler, Sneak Attack and Run Amuk) as well as three skill levels for each game.

Milton Bradley Co., 443 Shaker Rd., M. East Longmeadow, MA 01028.



Arcade Mania

with the included hand-held unit. Other players also secretly bet on which player they think will win. The object of Arcade Mania is to accumulate the greatest value of chips in the allotted period of time.

The hand-held unit offers four different electronic arcade-type

### Prestige Chess Challenger features 15 time levels and cartridge capability

MIAMI—Top-of-the-line Prestige Chess Challenger from Fidelity Elec-



Prestige Challenger

tronics combines hand-crafted walnut housing and some never-before-seen play features.

Built-in technology includes automatic response playing surface, cartridge capability plus clock and voice capability. The chess game offers 15 time levels as well as the ability to change sides in the middle of the game, playback and single and two player modes.

The solid state unit comes with AC adaptor and solid wood pieces that stand up to four in. high.

Optional accessories include printer, carry case and battery recharger. Fidelity Electronics, 8800 NW 36th St., M. Miami, FL 33178.

### Pop Games double as LC alarm clocks

FOSTER CITY, CA—Of the 14 individual Pop Games in Technote's line, all include LC digital quartz time and alarm, five feature stopwatch capabilities and three even include AM radio for earphone listening.

Game titles include Space Shuttle, Touchdown, Car Race and Inferno, with digital time and alarm and a suggested retail price of \$24.95; Savannah, Lasso, Basketball, Jaws and Soccer (\$24.95) add stopwatch option; Sky Invaders and White Witch (\$29.95) offer dual screen, and Emergency, Voyager and Barrier (\$39.95) are AM radios as well.

Technote Corp., 1151 Triton Dr., M. Foster City, CA 94404.

Top 10  
in Videogame Software  
appears on page 49



A GRALLA PUBLICATION

# Merchandising

APRIL 1983

**Home and Auto Electronics • Housewares • Major Appliances**  
THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

## Third Annual Review of Audio & Video

# SOFTWARE

Brings the topsy-turvy tape and disc market into focus

In Phoenix  
they're selling  
**HOUSEWARES**  
with flair

What's going on  
in Cincinnati  
(where Bell still controls  
the phones)?

European vendors provide  
a peek into the future of major appliances

# Starting slow in computers and games pays off for store

By Debbie Rosenblum, field editor  
MILWAUKEE—General Electronics has eased into the videogame and personal computer business. And it's glad it did.

While the two categories account for only about two percent of the store's \$3-million annual volume, general manager David Wallace has high hopes for the future.

At the same time, the strategy of entering the market slowly and with caution has already paid off. The store has been able to de-emphasize videogames while playing up the more-profitable computer category in recent months.

While General Electronics is showing no profit on computer hardware and 15 to 20 percent margins on software, it intends to change that this year.

"Our design is to make computers a more profitable and larger percentage of our business. I'd like to see them become 15 to 20 percent," Wallace told *Merchandising*. Bringing in limited distribution lines, hiring a computer specialist and increasing advertising are among the tactics he plans to use to achieve his goal.

Since owner Steve Claus opened the 2,000-sq.-ft. shop in 1970, General Electronics has registered consistent

sales gains. "We've doubled our business every year for the past four years," Wallace reported. "And so far this year, we're running 80 percent ahead of 1982."

## Strength lies in video

The store's strength lies in television and videocassette recorders, which comprise 80 percent of gross sales. General Electronics also carries video cameras and accessories, videotape, videodisc hardware and software and portable audio—boomboxes and personal portable products.

With such an obviously successful operation, why did Claus decide to expand into games and computers in such a cautious manner?

"For us, it was smartest not to try making them a major part of our business," Wallace explained. "It didn't make sense to rob video and TV to pay for games and computers. We want to keep increasing our video and TV business just the way it has been."

He continued, "Our whole attitude has been conservative. Start small and be in a position where, if you have to, you can move quickly. Like a boxer. Be very light on your feet. Then if you see something happening, you're not so weighted down that you're forced to plod along."

In late '80, Claus brought in the Atari VCS and related game cartridges. "Steve had the foresight to see that games were going to be big and it was better to get into the business at the beginning than to wait," Wallace said. At this time, "we were making 25 to 30 percent on software and a little less than 15 percent on hardware."

But as the market quickly became flooded, price wars and selling near cost became the rule of thumb. General Electronics, however, was in the right spot to adjust "without causing any damage to the business."

"The whole market is in such an upheaval," Wallace observed, "you can't make money on games. So we have started playing them down."

"Most people who wanted the Atari VCS got it for Christmas. That's when we got rid of all our stock," he



PLAYING DOWN GAMES in favor of the more-profitable computer category has been General Electronics' strategy in recent months. To make the area grow, limited distribution lines will be stocked and a computer specialist hired.

pointed out. "After Christmas, we lay back and watched other retailers blow it out the door at \$99. They can have the business for that price."

Nevertheless, General Electronics has remained in the cartridge business as a courtesy to customers. Currently, the dealer has almost 40 titles on hand.

"We don't spend any time or energy on games. They've really become a nonpriority," Wallace said. "Basically, we now treat them like we do batteries."

Except that General Electronics also plans to trim the software selection. "We're going to have fewer titles. Go with the hot ones. Buy them light. Advertise them. Turn them quick. And as soon as we see a title die, get out of it," Wallace explained. "We don't plan to make money on the hot hits with all the discounting going on now. We're going to write them off as a break-even prospect."

## Turns to computers

Unlike videogames, personal computers have a much brighter future as far as General Electronics is concerned. The company entered the business last November with a major promotion at Milwaukee's State Fair Park. (See related story on this page.)

Again, using caution, it started off with a small mix—the Timex Sinclair, Atari 400, Atari 800 and Commodore VIC 20 and related software. Since then, the Texas Instruments 99/4A and Commodore 64 have been added.

"We selected these models basically because they sell themselves. We can still get away with not being computer experts," Wallace noted. "Consumers in general really buy these low-end models for their enter-

tainment functions. They use the computers' educational capabilities as a justifier for making the purchase."

Thus, the software selection is geared in that direction. Approximately 80 percent of the stock is entertainment. Twenty percent is education and less than one percent is business.

General Electronics realizes, however, that to make computers a larger share of its total business and to be successful, some changes will be necessary. "We'd like to have a couple of models on which we can make some money," Wallace noted. "We feel we can do that with limited distribution lines."

If everything goes according to schedule, General Electronics will be selling Toshiba and Sanyo computers before the end of the year. "According to Toshiba, we should be able to get 30 percent margins. The firm's reps say we can sell them at list," he said.

"Realistically, I'd be very happy if we could make 18 percent. On the software, we're aiming for 25 percent margins."

Of course, "to sell these computers right, we're going to have to get a specialist," Wallace maintained. "We need to hire someone because we just don't have enough people."

"It's imperative that we have someone whose sole responsibility is computers and who can sell customers on the various benefits. Otherwise, it just won't work," Wallace added.

In addition, the merchant "plans to get a lot more aggressive with advertising and promotion." He said, "We'll increase our budget in conjunction with sales. Hopefully, it will be up to 15 percent by '83's end."



15 TO 20 PERCENT of our business is what we hope computers will eventually be, says David Wallace, general manager, General Electronics.

## Merchandising's TOP 10 TEN

... in videogame software

	Last month's position	Months on chart
1. Pitfall (Activision)	2	2
2. Ms. Pac-Man (Atari)	4	2
3. River Raid (Activision)	1	2
4. Donkey Kong (Coleco)	5	2
5. Frogger (Parker Bros.)	3	2
6. Vanguard (Atari)	—	1
7. Pac-Man (Atari)	—	1
8. Centipede (Atari)	—	1
9. Phoenix (Atari)	9-10	2
10. Mousetrap (Coleco)	—	1

## Event draws 3,000; sets up store in computers

MILWAUKEE—To gain maximum exposure for its entrance into the computer business in a minimal amount of time, General Electronics staged a major promotion in mid-November at the city's State Fair Park. The Manufacturers' Electronics Holiday Sale drew close to 3,000 people, and made many more aware that the store now markets computers.

With the help of company representatives from Atari, Timex and Commodore, the Midwest merchant sold a total of 115 computers during the three-day event.

Sharing the spotlight at the exposition were two other retailers—a high-end computer store and an audio store. "We were the primary dealer, though," Wallace remarked. "But with three of us, there was more excitement."

To help General Electronics move merchandise, 25 vendors—three of whom were in computers—came to the event. "We really didn't sell anything," Wallace said. "The reps sold, and they did a very good job. In those three days, we sold 50 Timex Sinclairs, something like 50 VIC 20's, about 10 Atari 800's and 15 Atari 400's."

He continued, "And what we didn't sell, the vendors took back with them. We couldn't afford to run the risk of buying 200 computers and possibly not selling them. We would have been up to our eyeballs in computers."

Publicizing the promotion was a major advertising campaign using newspaper, television and radio. "We didn't start advertising until Thursday night," Wallace reported. Ads ran Thursday through Saturday.

## NEW RELEASES IN GAME SOFTWARE

### VIDEOGAME SYSTEMS

#### ACTION

**DRAGONSLAYER**, Sega Consumer Products. Atari VCS-compatible. Available this quarter.  
**ENDURO**, Activision. Atari VCS-compatible. Available late spring.  
**HAPPY TRAILS**, Activision. Mattel Intellivision-compatible. Available late spring.  
**JUNGLE HUNT**, Activision. Atari VCS-compatible. Available late spring.  
**PLAQUE ATTACK**, Activision. Atari VCS-compatible. Available late spring.  
**ROBOTANK**, Activision. Atari VCS-compatible. Available late spring.

#### SPACE

**BUCK ROGERS: MARATHON OF ZENDA**, Sega Consumer Products.

### Replacement sales boost volume of phone stores

(Continued from page 29)

added. With three different brands and about 10 styles in each, the showroom has about 30 phone sku's available.

"We know we're getting replacement business," commented Teri Holtmeier, co-owner of The Phone Booth, a one-store independent. "Customers have come back to say how thrilled they were to actually return their rented phones to Ma Bell." They also mention that they like the personal touch offered by a dealer.

In business since November of 1982, Holtmeier noted that the cordless business has been steadily growing from the day the store opened. The Phone Booth also uses its in-house service department to woo customers to buy instead of rent from Bell.

Jim Steinberg, buyer for the 10-store Steinberg's appliance/tv chain, predicted a strong replacement business throughout 1983. "There has been enough media coverage and local dealer advertising to convince the public that it's cheaper to own versus rent their phones," he noted. Additional phones will also ring up a lot of sales this year, because of the inexpensive units under \$30, he predicted.

Phone World president Michael Butler sees both an advantage and a disadvantage to the phone company remaining the way it has traditionally operated. "The Cincy Bell stores aren't selling Trimline and Princess phones like the American Bell stores are, so that alone gives us an edge because we can sell them. But rental prices here have been lower than in other areas, and Cincinnati Bell still gets to show a package price on its bill."

"Consumers are not as inclined to own versus rent here. While sales are up so far this year, I think they could probably be higher," he noted. He figures that a certain portion of people just won't want to buy a phone. "To those customers, I might just rent."

Atari VCS-compatible. Available third quarter.

**STAR TREK II: THE WRATH OF KHAN**, Sega Consumer Products. Atari VCS-compatible. Available third quarter.

**SUBTERFUGE**, Sega Consumer Products. Atari VCS-compatible. Available third quarter.

**TAC-SCAN**, Sega Consumer Products. Atari VCS-compatible. Available third quarter.

**WAR OF THE WORLDS**, Sega Consumer Products. Atari VCS-compatible. Available third quarter.

### COMPUTER GAMES

#### ACTION

**A.E.**, Broderbund. Apple 48K- and Atari 400/800 48K-compatible. Available now. Suggested retail \$34.95.

**ARACHNOID**, United Microware Industries. Commodore VIC 20-compatible. Available on cartridge now.

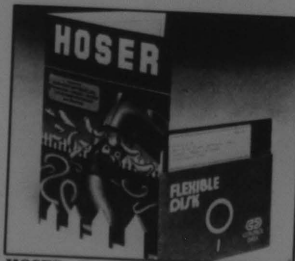
**ARCADE PAK**, ComputerMat. Commodore 64-compatible. Four games included. Available on cassette, \$24.95; on disk, \$29.95.

**CHOPLIFTER**, Broderbund. Apple II/IIe- and Atari 400/800 16K-compatible. Available on cartridge this quarter. Suggested retail \$44.95.

**GAME PAK**, ComputerMat. Commodore 64-compatible. Three games included. Available now on cassette. Suggested retail \$14.95.

**GUMBALL**, Broderbund. Apple II

series-compatible. Available on disk now. Suggested retail \$29.95.  
**GYPSY**, Avalon Hill. Atari 400/800 32K diskette- or 16K cassette-compatible. Available now. TI-99/4A cassette available this quarter.



**HOSER**, Blue Giant Software. IBM PC-compatible. Available now. Suggested retail \$29.95.



**MILLIONWAIRE**, BrainBank. Apple II Plus 48K-compatible. Available this quarter. Suggested retail \$49.95.  
**MOONDUST**, Creative Software. Commodore 64-compatible version available May 1. Commodore VIC 20-

compatible version available June 1.  
**MOVIE TRIVIA QUIZ**, Wizard Video. Atari 400/800/1200-compatible. Available this month.

**MOTOR MANIA**, United Microware Industries. Commodore 64-compatible. Available on cassette now.

**PARATROOPER**, The Electric Co. Commodore VIC 20-compatible. Available now.

**SERPENTINE**, Broderbund. Atari 400/800 16K-compatible. Available on cartridge this quarter. Suggested retail \$39.95.

**VIDEO VERMIN**, United Microware Industries. Commodore VIC 20-compatible. Available now on cartridge. Suggested retail \$49.95.

#### SPORTS

**TUESDAY MORNING QUARTERBACK**, Epyx. Updated version. TRS-80 48K- and Apple 48K-compatible. Available now. Suggested retail \$29.95.

#### LEARNING

**ED-U-PAK**, ComputerMat. Commodore 64-compatible. Includes four programs. Available now on cassette. Suggested retail \$24.95.

**MASTERTYPE**, Lightning Software. Atari 400/800 32K-, disk drive- and Apple II 48K-compatible. Suggested retail \$39.95.

**PIPES**, Creative Software. Commodore VIC 20-compatible. Available on cartridge now.

### Basic phones will account for 50% of all phone sales in 1983.



### Are you aware that half of them will be remanufactured?

For over 22 years we've been devoted to remanufacturing telephones. We've never built or imported a single CB radio or car stereo. We're so good at what we do that we're a major supplier of remanufactured telephones to the telephone companies themselves.

It's also a fact that every telephone company in America uses remanufactured telephones to increase their profits. So, what's with you?

Chances are the phone on your desk was remanufactured by us. Why not pick it up right now and give us a call? What we've got to tell you can make a real difference in how profitably you participate in the exploding telecommunications marketplace.



**CEAC, INC.**

1500 East Conecuh Avenue · Union Springs, AL 36089 · (205) 738-2000  
**AMERICAN MADE PHONES REMANUFACTURED TO AMERICAN TELCO SPECIFICATIONS**



## PERSONAL ELECTRONICS

# Phone World participates in local shows, advertises frequently to boost sales volume

(Continued from page 29)

a Yellow Page ad to attract customers. But now Service Merchandise is selling them, as is Sears, Shillito-Rikes, Swallows, Steinberg's, Radio Shack, other independent phone dealers and even audio/hifi stores in the area.

"The Yellow Pages was a good source of business until department stores launched their newspaper ad push. So now we appear in the newspaper as often as we can," commented Butler. Changing the ads' positioning has also helped. Ads, especially on cordless phones, are now run on the sport pages instead of in the home section.

Ad space is expensive in Cincinnati papers, he went on. "I figure we have to gross \$7,000 to \$8,000 to be ahead on a third-page ad costing \$2,400. You have to run at least that size to grab the reader's attention. We could run a one-sixth-page spot for \$1,000, but no one would see it."

Staying competitive has also meant offering sharper prices whenever possible. "Department stores here don't discount the category too heavily. They're usually going with \$10 below list on answerers and cordless phones. The major problem in the past six to eight months has been audio/hifi dealers," Butler complained. "They run phones at less than what we buy them for."

The Home and Garden Show, an annual spring event, gives retailers

like Phone World the chance to boost consumer awareness of their name and the merchandise they carry. Closed mall shows and craft fairs are also a growing source of phone sales. The store displays and sells product, and salespeople are on hand to pass out flyers and discount coupons.

The more hands-on exposure the public has to phone equipment, the better sales will be. "Customers may know a lot about price, but they have a lot to learn about the phones themselves. We don't tell them our prices over the phone. At the fairs or in the store they can see and touch a variety of colors and styles. They can learn about the difference between rotary and Touch-Tone dialing, which most consumers aren't even aware of," Butler explained.

One of Phone World's salesmen will ask the customer questions on what styling he wants, which room the phone will be put in and what the phone will be used for. Will the customer use it to do his banking? If so, a Touch-Tone model is required to send electronic messages.

### Standards still move best

The best selling phones are still standard models similar to the ones customers have traditionally rented. Standard desk and wall phones begin at \$34.95, and are often run on special at \$29.95. Customers have also responded to reconditioned

phones at between \$19.95 and \$24.95, with a one-year warranty.

Telephone answerer sales are "smooth and steady," Butler said. About 75 percent of answerer sales are remote units, while the other 25 percent is split between voice and time-cycle models. The store carries Phone-Mate, Record A Call, Code-A-Phone, Panasonic, Sanyo and Dicta-Phone, from \$119.95 and up.

The stores' cordless telephone stock sold out at Christmas, but the return rate has been running about 33 percent. "I don't like taking these phones back the week after they're bought," Butler complained.

It's not that the phones are all defective. The customer often expects the cordless model to sound just like his corded model. When the customer hears the static or fuzziness that sometimes occurs and then realizes that he is talking on a radio frequency, he has to decide whether he will be happy with the product.

"We attempt to show the customer a better unit," Butler added. "Right now we carry 10 brands, but that's too many and we may cut back. It only confuses the customer."

Accessories have also been a brisk business for the telephone store. About 100 jacks were sold just before Christmas, and sales since then have steadily increased. Butler sympathizes with Cincinnati Bell when it comes to consumers who choose to add

extensions and add their own wiring.

"Unlike discounters, we have salespeople who will inform shoppers about the FCC rules. We urge them to register their number with us when they buy. Discounters try to get this message across through a newspaper ad, which is really not possible," he pointed out.

"We are going to make 1983 a knowledge year for both sales staff and customers," he summed up. "As customers move beyond the basic purchase, we'll have all of the product information they need."



CUSTOMERS GET "hands-on exposure" to different styles of telephones at local events like the Home and Garden Show in Cincinnati, notes Phone World president Michael Butler.

Top 10  
in Game Software  
appears on page 29

## NEWSLINES PERSONAL ELECTRONICS 12345

CHICAGO—Will the under \$500 home computer push videogames out of the market and make them a thing of the past? Not according to Arnold Greenberg, president and chief executive officer, Coleco Industries. He told seminar attendees at a recent meeting of The Investment Analysts Society of Chicago that "The old style videogame systems won't disappear. Instead, they'll get lower in price and serve as an entry level tool to those who want nothing more than an entry level experience."

Greenberg acknowledged, however, that the lower priced computers "will unlock an undreamed-of potential. The 14 to 15 million videogame systems that have been sold in the U.S. don't even begin to approach market penetration. I think this combination product of videogame/home computer is going to be in 45 to 50 million homes within the next several years. I'm not talking about those people who want an IBM PC because the husband is an accountant or the kid is a computer hobbyist. I'm just talking about those people who want a low-priced product—under \$500—primarily for entertainment reasons."

Greenberg noted that today's under-\$500 machines—the Atari 400, Commodore VIC 20, the TI-99/4A—are used primarily for entertainment. "Two-thirds to three-quarters of the software units sold on the computer side are games and entertainment programs," he reported.

SAN FRANCISCO—Broderbund has launched a spring advertising campaign under the theme "Discover the Difference." The ads point out that the firm's games—such as A.E., Choplifter and Serpentine—go beyond ordinary "chase and shoot-em-up" scenarios. Ads will be featured in publications read by owners of Apple, Atari, IBM-PC and Commodore computers, including Softalk, Creative Computing, Antic, Compute! and Electronic Games.

In addition, Broderbund is giving its dealers a sneak preview of each new title by sending a free advance copy of new game releases. P-o-p materials are being developed to direct customers to the sneak preview products, and many are available with a self-playing opening to allow endless viewing of the game action.

MOONACHIE, NJ—Floppy disks have had a steady growth rate of 35 percent to 40 percent from the past few years to the present. From 1983 to 1986, floppy disk sales are expected to rise from 25 percent to 40 percent annually. These figures and forecasts are based on a recent study by the computer products division of Maxell Corp. of America. Close to 3.3 million floppy disk drives were shipped back in 1981, and based on the rate of growth for the market so far, the study estimates that floppy disk drive sales will increase to 12.1 million annually by 1986. This represents a compound growth rate of 29.7 percent.

The report anticipates the biggest growing product in the disk industry from 1981 to 1986 to be 5¼-in. double-sided drives, including the 96 TPI model. "The 5¼-in. drives, double-sided, accounted for 18.2 percent of total unit sales in 1981," noted Maxell's national sales manager, computer products division, Mark Welland. "By 1986, it is expected to be responsible for 43.8 percent or 5.3 million units of disk drive sales," he added. Welland expects three-in. mini floppy disks to be another high-growth area in the future.



3-in. mini floppy discs will gain, says Maxell's Welland

## PRODUCTS

### Computer furniture holds equipment, provides storage

LITTLE VALLEY, NY—Bush Industries has introduced a line of modular furniture for computer and equipment storage and use.

The computer cabinetry is styled with rounded edges and finished in an oak vinyl veneer with black matte vinyl accent panels. Pieces available are a full-size desk (CT-130), a roll-about table (CT-120), a hutch (CTA-131) and a monitor platform (CTA-132).

The desk will comfortably hold a video monitor, keyboard, cassette or disk drive and a printer. Beneath the desk surface is a lockable software security cabinet and a shelf. The 44-in.-wide work surface has a rear-mounted safety retainer edge. Wire harness clips are attached to the back to corral equipment cords. The desk comes with levelers and measures 23 in. by 45½ in. by 29 in. The suggested retail price is \$169.95.

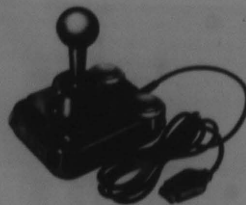
The hutch is priced to retail at \$99.95 and has dimensions of 33 in. by 45½ in. by 11¼ in. The table is 28 in. by 19 in. by 14 in. and retails for

\$79.95. The video monitor platform measures 6½ in. by 19 in. by 11¼ in. and carries a suggested retail price of \$17.95.

Bush Industries, 312 Fair Oak St., M, Little Valley, NY 14755.



Bush computer furniture



Competition-Pro joystick

### Joystick features dual fire buttons

ELK GROVE VILLAGE, IL—A Competition-Pro line of arcade-style joysticks for home use has been introduced by Coin Controls, Inc.

Dual fire buttons can be used with either the right or left hand. Steel-tapered knob and shaft are covered with nylon. Leaf-switch assembly offers eight-way directional action.

In addition, the company has added a six-ft. extension cord for videogames and computer systems to its line of videogame controls. It utilizes a molded D-9, nine-pin shrouded male connector and molded D-9 female plug.

Cords may be used with any videogame or computer peripherals requiring a D-9 connector.

Coin Controls Inc., 2609 Greenleaf Ave., M, Elk Grove Village, IL 60007.

### Printer set is designed for Commodore computer

CAMPBELL, CA—Alphacom Corporation has begun shipment of a VP42 printer project set for the Commodore VIC 20 home computer. The package contains a 40-column printer, a five-program software package and *Compute* magazine's "First Book of VIC."

The VP42, also compatible with the 64, includes word processing, a home record keeper, sketch pad, kaleidoscope and screen printer software.

Alphacom Corp., 2323 S. Bascom Ave., M, Campbell, CA 95008.

### Chess computer challenges humans

SPRINGFIELD, MA—Grand-Master, an advanced chess computer which decides and executes moves, was recently unveiled by the Milton Bradley Co.

The model moves its own pieces on the board without any apparent means of control. It challenges its human opponent as if that player was facing an invisible grand master, said maker. The chess computer also removes captured pieces automatically in this manner. It offers 17 function keys.

The unit sells for an estimated retail price of \$500.

Milton Bradley Co., M, Springfield, MA 01028.

### Contec's cordless phone records calls

CHICAGO—A cordless telephone introduced by Contec Electronics features an in-line microcassette recorder that allows a permanent record of all incoming and outgoing calls.



Cordless phone CP-283

### French-style phone has gold trim, pulse dialing

WESTBURY, NY—Mura Corporation has announced the addition of the Bon Jour French-style decorator phone to its telephone product line.

Model DP-320, styled in ivory with gold-tone trim, features pulse dialing. It lists for \$59.95.

Mura Corp., 177 Cantigue Rock Rd., M, Westbury, NY 11590.



Casio CT-7000 keyboard

### Keyboard can play up to 20 sounds

FAIRFIELD, NJ—Eight electronic keyboards have been introduced by Casio. They range in price from \$79.95 for a portable unit to \$999 for a stereo console unit featuring 20 different instrument sounds and background rhythms.

Least expensive, the PT-20 is a 29-key 2½-octave monophonic keyboard. The unit offers seven instru-

ment voices including piano, organ, violin, flute and others. Seventeen background rhythms, from rock to disco to waltz, are available.

The accompaniment section has chord buttons for fundamental note and for chord variations. Memory has a storage capacity of up to 508 notes for instant playback of a tune.

The largest, most expensive model, the CT-7000 is a full-size, 61-key eight-note polyphonic keyboard with 20 instrument and rhythm sounds.

Its memory can store up to 1,855 chords and can be transferred to cassette tape. In addition, the unit offers volume, pitch, bass, chord and arpeggio controls. It can be hooked up to a stereo system to listen to a composition in stereo. A recording section feature allows voices to be layered in recording.

Casio, Inc., 15 Gardner Rd., M, Fairfield, NJ 07006.

### Modulo-Phone comes in eight colors

CHICAGO—A 10-number memory telephone from SPS Industries comes in a choice of eight different colors—

beige, blue, brown, black, white, red, green and yellow.

The model T Modulo-Phone is compatible with standard telephone outlets for rotary or pushbutton dialing. The user can place the call on hold with either a mute button or by laying the phone on a flat surface. Modulo-Phone has a button to adjust ring tempo and tone, and is accessible to long distance systems.

Another Modulo-Phone version, model B, features an on-off line switch which eliminates the risk of accidentally being left off the hook. An LED flashing line and dial indicator lights up to show when the phone is in use.

With a suggested retail of \$59.95, model B includes a ringer control and an index of the most frequently called phone numbers. Also in eight colors, the phone comes with a color-coordinated wall bracket. A similar model, without a keyboard for dialing, can be used as an extension.

SPS Industries, Inc., John Hancock Center, 875 N. Michigan Ave., Suite 3221, M, Chicago, IL 60611.



Modulo-Phone



The Ditto

### Telephone includes hidden message pad

MINNEAPOLIS—A telephone set named Ditto has been introduced by Northern Telecom, Inc.

Easily converted from a desk set to a wall-mounted set without additional hardware, the unit features a note pad and pencil concealed beneath a sliding panel. It also has an electronic tone ringer with a volume control.

Measuring 6½ in. by 7½ in. by 3½ in., the phone is available in six colors.

Northern Telecom, Inc., Data Park, P.O. Box 1222, M, Minneapolis, MN 55440.



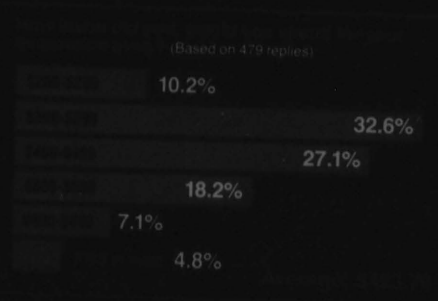
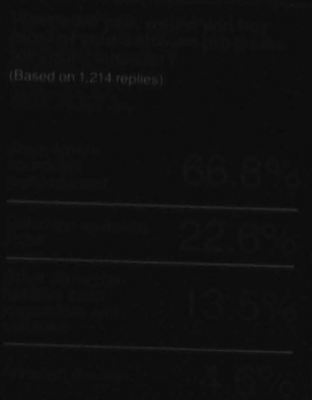
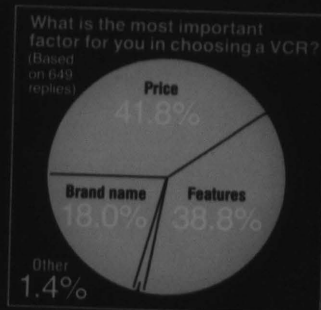
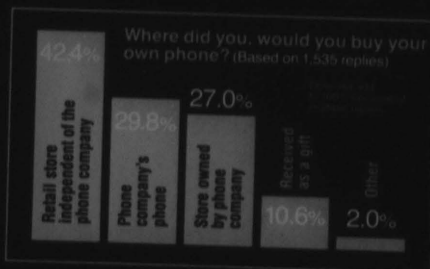
Mura phone DP-320

The complete guide  
to retailing

# COMPUTERS

offers tips on:

- how to design and lay out a department
- where to turn for software
- what manufacturers will do to help
- how to make it all profitable
- where the market's headed
- how to speak computereze
- and much, much more

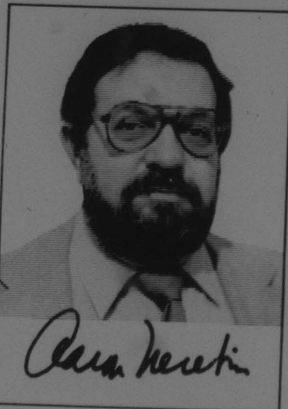


161 80 241 +49.7%

## 11th Annual Consumer Survey

1,942 shoppers reveal their purchasing plans for 1983





## Editorially Speaking

# Changing lifestyles apply to retailers just as they do to the new consumer

No matter where you go today or who you see, the topic of discussion invariably turns to changing lifestyles.

These lifestyles most frequently refer to consumer traits—less travel, more home entertaining, the singles market, the single-parent market and the working woman market account for much of the stress on the new customer profile.

All of this is well and good, and the entire industry should be tuned in and ready to receive the demands nurtured by these changes. But, just as these changing lifestyles become stronger and stronger in our daily selling plans, so should the changing lifestyle of the retailer. And we hear precious little about this very important aspect of our future.

### Listen to speakers

When speakers rise before audiences of appliance and electronics retailers—as many have over the past few months at national conventions and supplier meetings—they are not just imploring the dealer to play to the changing lifestyles of the consumer. They are pleading for the retailer to consider his or her own changing lifestyle as well. I don't believe you

can successfully deal with the consumer aspect if you do not make those changes apply to yourself equally as well.

Look around your store or stores. Does the changing lifestyle motif fit? Will the exciting and excited "new" consumer retain his or her edge when he or she enters? Or will he or she come in all hyped to spend big dollars on his or her new outlook only to become depressed by how you choose to reflect this outlook? Does he or she walk into an environment which features many appliance and electronics soldiers in row after row of boring displays or does he or she find many of the jewels displayed in an adventurous and exciting lifestyle array? Can he or she even find many of the newer products and philosophies which are changing lifestyles in your stores?

We think these questions—and the answers to them—pave the way for the next decade's success or failure of the retail establishment. You cannot sell the CL (changing lifestyle) consumer with OL (old lifestyle) concepts. And, unfortunately, many retailers who cry the blues because they can't get out of the price-sale rut or because they fear or are confused by

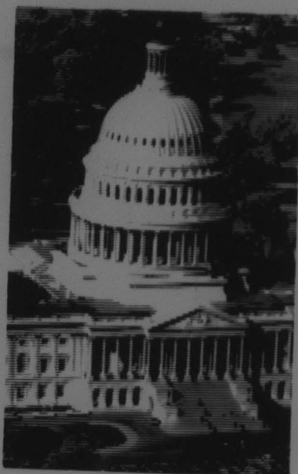
the newer product or category entries are pure OL.

In this issue, as just one example of how we at *Merchandising* are pursuing CL, you will find a how-to map on getting to know and getting involved with the CL computer business. Our editors have presented a clear-cut guide to buying and selling the hardware and software that should represent a substantial part of your business in the years ahead.

Our commitment to computer and computer-related business is set in concrete because we believe that your commitment must be equally firm if you're to benefit from the CL patterns. We are committed to provide a continuity of information over the years on computers—as we have been committed on video, audio, appliance and housewares CL's—because we feel the retailer must make an equal commitment if he's to survive.

That's a lot of commitments, but we can think of no other word to fit the bill.

There's no doubt, as far as we're concerned, that the CL retailer will be the one to take the greatest advantage of the enormous growth projected for our industries over the next decade and beyond.



## From the Capital

# Atari starts software distribution system despite protests from other manufacturers

Atari managed to get its new game software distribution system in place in April, but not before a brush with the federal antitrust laws looked as though it would scuttle the whole approach. Along the way, a lot of facts and figures were revealed in U.S. District Court in Alexandria, across the river from Washington.

The brouhaha broke out over Atari's attempts to select approximately 40 wholesalers and offer them exclusive distributorships in their region, in return for a promise that they would not make sales outside their territories and would not handle software from any of Atari's competitors. As a bonus for signing, the distributors would get a 40 percent markdown on their E.T. inventories and a 25 percent markdown on the rest of their Atari inventory.

The approach was fought in court by Parker Brothers, which claimed that there are fewer than 100 distributors in the U.S. who can do a decent job for a software maker, and that the wholesalers being targeted by Atari include distributors who do 31 percent of Parker Brothers' total videogame sales. Almost two-thirds of the distributors Atari wanted to sign on also handle Parker Brothers software. That was enough for Judge Albert Bryan, Jr., to issue a temporary restraining order (TRO) stopping Atari from signing the exclusive contracts.

But four days later, after Bryan had more information, he refused to convert the TRO into an injunction, and freed Atari to go ahead with its distribution scheme. He gave in to Atari's arguments that there are

plenty of potential distributors available if other software makers will work to develop their potential, and that Atari needed more control over its favorite distributors in order to stem its declining market share.

Over the past year, its share of the game cartridges for home play has fallen from 65 percent to 40 percent of all sales, Atari told Bryan. Last year, Parker Brothers claimed, it had 3.4 percent of sales, Mattel had 14.3 percent, Coleco had 11 percent, and Activision had 7.6 percent.

Bryan's refusal to issue an injunction is yet another sign that the courts are giving manufacturers more elbow room in designing their distribution patterns—a trend that Reagan's appointees at the Justice Dept. and Federal Trade Commission are encouraging.

### U.S. vendors win

Two major U.S. manufacturers have convinced the International Trade Commission (ITC) that there is something to their fears that their business is being hurt by products coming in unlawfully from the Orient. The targets of the separate ITC investigations: personal computers and copper-clad stainless cookware.

The home computer case was waged by Apple. The U.S. company fingers 10 Taiwan producers, three in Hong Kong, and one in Singapore as using unfair methods of competition. The offshore producers, Apple claims, are infringing Apple patents and copyrights, and are designing their computers to look as much as possible like the Apple line.

The cookware case, too, involves

charges—this time from Revere Copper & Brass—that foreign-made products are being passed off to unwary U.S. shoppers as those of a well-known domestic manufacturer. Revere does not claim patent or copyright infringement, but does argue that the pots and pans are being falsely represented to buyers and deceptively advertised, with both the country of origin and the actual manufacturer misstated. The 21 manufacturers named by Revere are all in Korea, but the 35 domestic respondents to the investigation include such big names as Sears, Montgomery Ward, Western Auto, Target Stores, Gamble-Skogmo, Alexander's and Household Merchandising's Ben Franklin division.

The fact that ITC has opened the two investigations, of course, does not mean that the charges are proven. But it does mean that the U.S. complainants had enough evidence to make the commissioners feel that a further probe is warranted.

Congress is currently considering a law change that would make it easier for domestic companies to move against unlawful imports, but the fate of the bill is dubious because of opposition from the Reagan administration. The legislation would amend the antidumping laws so American manufacturers could collect damages swiftly from sellers and importers of goods with unfairly low price tags. The legislation would convince some foreign producers not to sell in the U.S. at all, predicts assistant attorney general William F. Baxter, thus either raising prices or offering merchants a narrower range of goods.

# Eleventh Annual Consumer Survey

## 1,942 shoppers talk about what they plan to buy in the year ahead

If the 1,942 consumers interviewed by *Merchandising* for the Eleventh Annual Consumer Survey can be used as a gauge, 1983 is going to go down as a year of solid growth in the consumer electronics, major appliance and housewares industries.

People are planning to buy—and buy big. Everything from home computers to clock radios to laundry equipment to bathroom scales can be found on the average consumer's shopping list this year.

What can retailers expect to be selling in the months ahead? Among the highlights:

**TV's:** The desire for the best in video reproduction, perhaps when their TV is hooked up to a computer, or VCR, is spurring 33.3 percent of the consumers to buy a new television set this year. The overwhelming majority of the purchases, 87.8 percent, will be color sets.

**VCR's:** Ownership is rising. Almost 18 percent of the shoppers reported that they now own a unit. Another 10.6 percent plan to buy one this year, an increase of 59.1 percent. And these buyers are better educated about the product. While 42 percent still say price is the most important factor in selecting a unit, almost 40 percent said that they look first at a VCR's features before closing the sale.

**Videodiscs:** The ownership base is growing, but slowly. Out of 974 shoppers, only 50 will own a videodisc player by the end of this year. In most cases, they said, they were simply not interested in owning the product. Price and unfamiliarity with the units was also cited.

**Projection TV:** Only 5.3 percent of the shoppers indicated that they plan to buy a projection TV this year. An additional 4.4 percent already own one. For many non-owners, 31.2 percent, the product is still too expensive.

**Prerecorded Videocassettes:** Those owning prerecorded videotapes own an average of 12.1. Fewer shoppers plan to buy prerecorded material this year, but those that will expect to buy more. This could be a result of the lower prices now being offered on "hot" titles. Similarly, more shoppers say they will rent videotapes this year, but they will rent fewer units. Recent movies, made in 1981 or later, will make up the bulk of the titles they choose, 43.1 percent.

**Blank Videotape:** Fewer consumers will buy blank videotapes this year, but those who do will purchase more of them. No doubt some of the increased numbers per shopper is due to the growing number of video cameras now owned.

**Blank Audiotape:** Close to 20 percent of the owners of cassette recorders said they do not plan to buy any

blank tapes this year, compared with only 5.9 percent who said they did not buy any in 1982. For over half of those shoppers who will buy, however, quality, not price, is most important when selecting a blank tape.

**High Fidelity:** Most of the shoppers, 84.6 percent, do not plan to buy a hifi system in 1983 simply because they are content with the stereo they already have. Most of the units owned are component systems—62.8 percent. Console owners make up only 22 percent of the group. Another 21.7 percent have compact systems.

**Car Stereo:** Some 61.4 percent of the consumers said they own a car stereo system. An additional 12.7 percent will purchase a unit this year, a 20.6 percent gain. But although aftermarket sales continue to grow, the bulk of the car stereo owners said they have/would buy the sound system at the same time they purchase the car.

**Personal Portable Stereo:** Over a third, 38.1 percent, of the shoppers have a personal portable stereo in their household. An additional 11.1 percent plan to purchase one sometime this year. These buyers will find more fully featured units on the marketplace—with auto-reverse, Dolby noise reduction, dbx and more sophisticated motors.

**Videogames:** Videogame ownership is expected to jump 25.2 percent this year, among the shoppers that we polled. Still, there are a lot of consumers out there who are just not interested—69.2 percent.

**Personal Computers:** Among the shoppers, personal computer ownership will rise an incredible 129.7 percent this year. And although the base nationwide is still small, this means that about 25 percent of the 1,942 consumers will own a computer by the end of 1983. Computer stores and electronics specialty stores are where about half of these units are being purchased.

**Telephones:** Almost two thirds of the consumers polled still do not own their own phone, leaving the field wide open for dealers to tap in on this unexploited market. Most of those who have bought did so primarily to save money—68.1 percent. But more education is needed. Most customers don't really know the difference among rotary, pulse and Touch-Tone dialing features.

**Major Appliances:** With the appliances purchased in the 1960s and 1970s being ready for replacement and the lower interest rates available today, about one third of the shoppers said they expect to buy a major appliance this year. Almost half of them plan to visit a Sears, Penney's type store for the purchase.

**Room Air Conditioners:** About half of the consumers polled said they are familiar with the term E.E.R. (energy-efficiency ratio). And over three-fourths of the respondents said that E.E.R. would be a consideration in their next room air conditioner purchase. Evidently, manufacturers' educational messages are getting across.

**Microwave Ovens:** Higher than the national average, close to 40 percent of the shoppers polled own a microwave oven. Another 16.1 percent plan to purchase one in 1983, a gain of 41.9 percent. But ovens are still used for just an average 44.7 percent of the meals that consumers prepare.

**Cookware:** Stainless steel and stoneware fabrications should make up over 40 percent of the cookware that will be purchased this year, said shoppers. About 62 percent noted they would buy the cookware open stock; 40.3 percent plan to purchase a set. Some will buy both.

**Food Processors:** The market isn't saturated yet, at least not with this group of consumers. The food processor is now in use in close to 40 percent of their kitchens. Another 9.9 percent said they plan to purchase one sometime this year.

**Air Purifiers:** Over 90 percent of the consumers polled said they have no plans to buy an air purifier. Why not? More than half, 54.7 percent, said they are just not interested in the product.

**Kerosene Heaters:** Ownership of kerosene heaters should jump 41.3 percent among our shoppers this year. Still, many said they have no need for such a unit. Slightly more than 20 percent believe they are unsafe.

**Grills:** Price is evidently of prime concern to customers purchasing a grill because about 21.1 percent of the consumers did/would buy at a discount. An additional 20.7 percent cited the popularly priced Sears, Penney's type store. Charcoal models are still most popular units, mentioned by 58.4 percent of the consumers.

For more details on these and other products, keep reading. The following 21 pages will help you prepare for the shopping spree that the consumers tell us they are ready to begin.

—Lee Rath  
editor  
—Nancy Markov  
managing editor  
—Bill DeSiena  
associate editor

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STATISTICAL MATTER for this survey was collected and compiled by Selma Book, market research manager, and Matea Esquerra, Pat Jagbandhasingh, Renee Well and Stuart Fuhrman, research associates.

# Eleventh Annual Consumer Survey

## 1,942 shoppers polled for Merchandising's 1983 consumer survey

**M**ore than 20 pollsters, fanning out from coast to coast, interviewed a grand total of 1,942 shoppers for this year's consumer survey. Interviews were conducted in shopping centers, malls, city streets—anywhere consumers could be found with buying on their minds.

As a result, we hasten to point out, this sample is not projectable to the population at large. Those people interviewed for this consumer survey were in a shopping district. Chances are, they had money to spend and were out selecting merchandise and making purchases. Hence, the results would tend to skew higher than what might be a national average.

Nevertheless, in the recession-plagued months of January and February 1983, when the survey was taken, our pollsters found 10.2 percent of the sample was unemployed. These people probably were not as inclined to be considering making major, non-essential purchases in the months ahead.

Two mini-questionnaires were used in taking this year's poll. Half the respondents were queried about consumer electronics products, half about major appliances and housewares. Due to the importance of two emerging categories—computers and telephones—all 1,942 shoppers were asked questions about these products.

### Average respondent profiled

We found the average respondent this year would be something on the order of a woman between the age of 30 and 39. She lives in a suburb of a major city in the North-

east with her husband. They might have a child, but the family definitely would be smaller than that typical in years gone by. Total household income is probably around \$30,000, and the woman is likely to work outside the home.

While this might paint a portrait of the average consumer, the response was incredibly broad. People were interviewed from East Coast to West Coast, from the Canadian to the Mexican borders. Households included from one person to six or more. People lived in cities, suburbs, towns or villages and rural areas. Incomes ranged from under \$10,000 to well over \$50,000.

In short, we reached almost every kind of shopper known to retailers in compiling this survey, *Merchandising's* picture of the American Consumer circa 1983.

### Characteristics of the Sample

#### Replies: By employment status

	Number of replies	Percent of replies
Employed	1,319	67.9%
Homemaker	273	14.0%
Student	122	6.3%
Military	11	0.6%
Retired	19	1.0%
Unemployed	198	10.2%

#### Replies: By marital status

	Number of replies	Percent of replies
Married	1,129	58.1%
Divorced/Separated	242	12.5%
Widowed	102	5.3%
Single	422	21.7%
Engaged	47	2.4%

#### Replies: By household income, by region

(Number of replies)*	Percent of replies*					
	Total	Northeast	North Central	South Atlantic	South Central	West
Under \$10,000	(1,922)	(403)	(389)	(385)	(360)	(385)
\$10,000-\$19,999	7.5%	7.7%	7.4%	5.7%	11.1%	6.0%
\$20,000-\$29,999	25.2%	26.3%	18.3%	20.8%	42.2%	19.7%
\$30,000-\$39,999	24.0%	21.8%	24.4%	26.5%	24.2%	23.1%
\$40,000-\$49,999	19.9%	24.6%	21.9%	23.6%	10.0%	18.7%
\$50,000 or more	11.6%	9.9%	13.6%	10.7%	8.1%	15.3%
	11.8%	9.7%	14.4%	12.7%	4.4%	17.2%

\*Excludes no answer.

#### Replies: By number of persons in household

	Number of replies	Percent of replies
One	363	18.7%
2-3	934	48.1%
4-5	574	29.5%
6 or more	71	3.7%

#### Replies: By age

	Number of replies	Percent of replies
Under 21	100	5.1%
21-29	530	27.3%
30-39	553	28.5%
40-49	397	20.4%
50-64	273	14.1%
65 and over	89	4.6%

#### Replies: By head of household

	Number of replies	Percent of replies
Yes	1,267	65.2%
No	675	34.8%

#### Replies: By number of children\* in household

	Number of replies	Percent of replies
No children	1,122	57.8%
child	395	20.3%
2-3 children	402	20.7%
4 or more	23	1.2%

\*Under 16 years of age

#### Replies: By location of residence:

	Number of replies	Percent of replies
City	731	37.6%
City suburb	799	41.2%
Town or village	318	16.4%
Other rural	94	4.8%

#### Replies: By sex

	Number of replies	Percent of replies
Female	1,034	53.2%
Male	908	46.8%

#### Replies: By geographic region

Region	Number of replies	Percent of replies	Percent of electrically wired homes in region*
Northeast (New England/Middle Atlantic)	406	20.9%	20.4%
North Central (East and West North Central)	396	20.4%	26.2%
South Atlantic	393	20.2%	16.9%
South Central (East and West South Central)	360	18.6%	17.2%
West (Mountain/Pacific)	387	19.9%	19.3%
<b>Total</b>	<b>1,942</b>	<b>100.0%</b>	<b>100.0%</b>

\*For 3rd Quarter of 1982. Source: Edison Electric Institute.



# Eleventh Annual Consumer Survey

## Close to a third of the shoppers now own a videogame

**A**lmost one third of the consumers polled by *Merchandising* now own a videogame and close to another eight percent plan to buy one this year. If they follow through with their plans, it would mean that a whopping 38.5 percent of the households represented would own some kind of a system.

The best-known systems, by far, remain those by Atari, with better than 60 percent of the shoppers saying that this was the brand that they owned, planned to buy or would consider purchasing first.

Nevertheless, there remains a hard-core group, 601 of our shoppers, who do not have a videogame and do not care to own one. The vast majority said they simply were

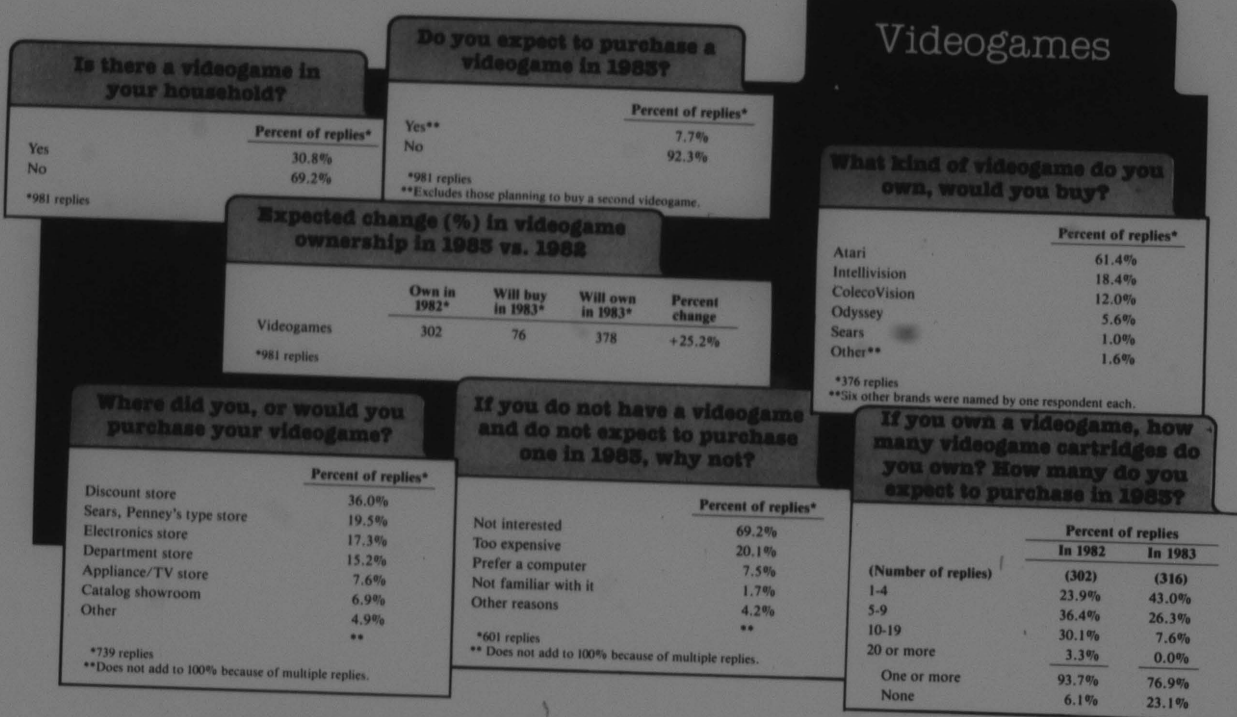
not interested in the product, although some said the units remain too expensive. A small, but probably growing, percentage indicated that they would prefer to purchase a computer. It's interesting to note that only a scant 1.7 percent of the sample said that they were not familiar with the product, indicating that the videogame has made amazing inroads in consumer awareness during its short but frenetic life.

### Discounters win

It's also significant that more than a third of the shoppers

indicated that a discount store was the first establishment that came to mind when they thought about videogames.

On the software side, there seems to be some indication that the shoppers who own videogames are planning to buy fewer cartridges this year. In 1982, 69.8 percent bought five or more. This year, by comparison, only 33.9 percent of the consumers plan to buy that many. In fact, in 1983, 23.1 percent of the game owners do not plan to buy any new games at all.



## One third of all shoppers plan to buy a TV this year

**A**n amazing 33.3 percent of the shoppers interviewed by *Merchandising* said that they plan to purchase a television set sometime in 1983. And the overwhelming majority, 87.8 percent, said that it would be a color model (although nine of the consumers said that they plan to buy both a color and a black and white set). One reason for this strong burst of enthusiasm for the workhorse of the video industry may be that the TV has become so much more than just a passive receptor of The Love Boat, reruns of Gilligan's Island, Dynasty and the like.

Today, the American family can use their set to play games, call up recipes, balance a checkbook, watch a movie, lead an exercise routine, access the stock market and much much more. Thanks to the videogame, the home computer, the videodisc and the videocassette recorder, consumers are taking a second look at their TV.

### One is not enough

Many are apparently finding that they need at least one more. After all, what happens when Dad wants to balance the checkbook, Junior wants to play Pac-Man and

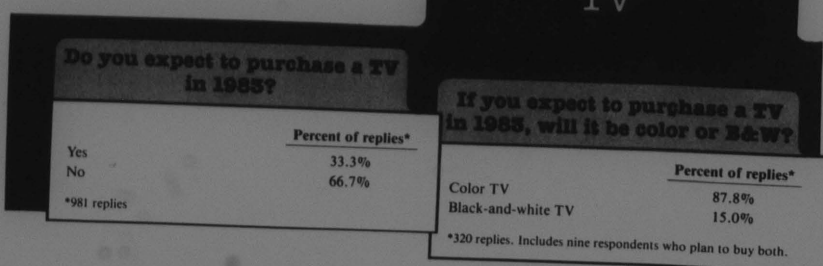
Mom wants to join Jane Fonda for a workout? The answer is obvious.

In addition, the high-quality reproduction offered by these peripherals can make an aging set look less than satisfactory. Consumers are learning to look for the best in video reproduction.

Manufacturers are reporting that their sales of top-of-the-line sets—monitors and units with audio and video input and output jacks—are moving quite well this year.

And such features are finding their way down the product line into lower-priced units, as well.

All in all, an increasing number of shoppers are joining the video revolution. And buying a new TV or two may be regarded as nothing more than a rite of passage.



ATARI 2600

VANGUARD



ATARI 2600

PHOENIX

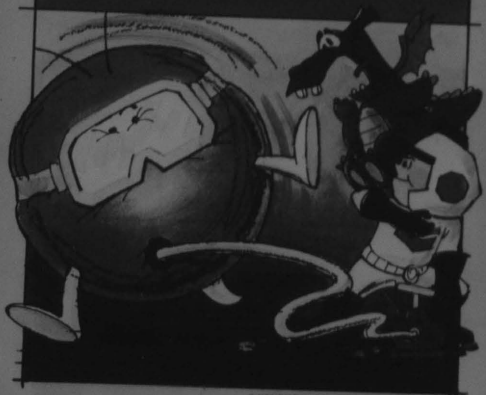


MS. F



ATARI 2600

DRAGON



ATARI 2600

KONGEROO



CEN



ATARI 2600

JUNGLE HUNT



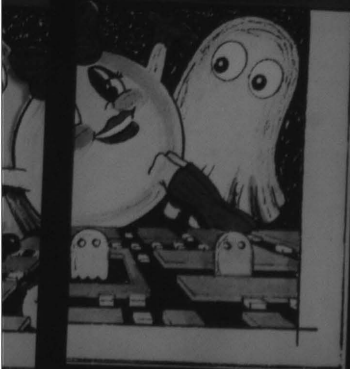
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# ATARI 2600

## PAC-MAN



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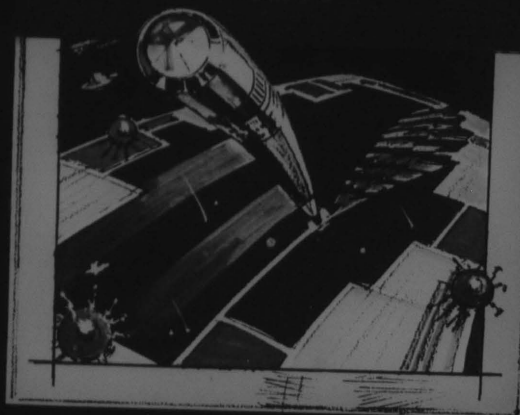
# ATARI 2600

## COUNTERMEASURE



# ATARI 2600

## QIX



# ATARI 2600

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# ATARI 2600

## GALAXIAN



# Eleventh Annual Consumer Survey

## Computer ownership will jump 129.7 percent

**T**en percent of the 1,942 consumers polled own a personal computer. An additional 13 percent will buy one this year, and they seem willing to spend some bucks.

Despite the price wars raging in the personal and home computer markets right now, price isn't a prime concern for many consumers. Of those surveyed by *Merchandising*, 23.1 percent said they did or would buy the computer for between \$400 and \$799. But almost 40 percent reported they did or would buy a prepackaged system (with some mix of peripherals) for between \$800 and \$2,500.

Computer stores are garnering a good portion of this business. Slightly over 25 percent of the consumers have or will buy their units in these outlets. Another 24.4 percent have or will shop at electronics specialty stores. On the other hand, the discount store, which has been doing much of the under-\$500 business since late last year, was mentioned by only 12.2 percent of the consumers.

Consumers often return to the stores after their initial purchase for added peripherals. The most popular add-on purchase is the telephone modem, 78.7 percent; followed by memory expansion modules, 63.9 percent; a cassette player, 56.1 percent; floppy disk drive, 48.5 percent; and printer, 46.7 percent.

These figures indicate that owners are looking for more and more uses for their computers. Networking possibili-

ties, that is, being able to plug into data bases like the stock market for quotations, are boosting the desire for a telephone modem, for example.

As the consumer does find more things to do with his system, he needs more memory. Those many machines in the market with 16K RAM, or the ability to hold about 16,000 bytes or characters of information, just may not be large enough anymore for the owner's purposes.

### Offer lessons with purchase

Three-quarters of those polled said they had either received or would want free lessons with the purchase of a computer. While specialty stores are capable of handling such a request, the mass market of dealers has yet to make the investment in computer-trained salespeople that can provide this sales-closing service.

Facilities for repair are also important to computer owners. Almost 68 percent of the 1,270 consumers who responded to this question said they do or would take their unit back to the store where it was purchased to be serviced. Only 11.2 percent mentioned a specialty com-

puter repair shop. About the same number said they would call a repair service to their home and 8.6 percent said they do or would take it to a general electronics repair shop. An additional 2.2 percent said they prefer to mail the computer to a servicing dealer.

Besides hardware and service, most dealers will also be vying for a portion of the computer software market. Determining consumer usage, therefore, can be a big help in deciding what to carry.

The consumers we polled said they spend or would spend a quarter of their computer time playing games. However, for 36.4 percent of the time, the computer would be used as a business tool, with 15 percent allocated for education.

Children on the other hand, are or will spend 58.3 percent of their computer time playing games; 40.7 percent with educational software.

Business software rates highest among our consumers in the assortments they have or plan to buy, at 33.4 percent. Entertainment software follows at 27.4 percent; educational titles, 20.4 percent. Home management titles account for 19.0 percent of the software titles that are or will be owned.

Where are computer owners buying or planning to buy software? Two-thirds of them said in the store where the computer is purchased.

### Personal Computers

#### Do you expect to purchase a personal computer in 1983?

	Percent of replies*
Yes	13.0%
No	87.0%

\*1,942 replies

#### Where did you, would you buy your personal computer?

	Percent of replies*
Computer store	25.4%
Electronics specialty store	24.4%
General merchandise store	15.3%
Discount store	12.2%
Department store	6.8%
Audio/hifi specialty store	6.5%
Appliance/TV store	6.1%
Video specialty store	4.4%
Catalog showroom	3.5%
Other	1.0%

\*1,420 replies

\*\*Does not add to 100% because of multiple replies.

#### Which accessories did you, would you buy with your personal computer? Which did you or would you buy later?

	Number of replies	Did/will buy with computer	Did/will buy later
Printer	917	53.5%	46.7%
CRT (TV screen)	911	70.1%	29.9%
Expanded memory modules	808	36.1%	63.9%
Floppy disk drive	787	51.5%	48.5%
Cassette player	747	43.9%	56.1%
Telephone modem	709	21.3%	78.7%

#### Is there a personal computer in your household?

	Percent of replies*
Yes	10.0%
No	90.0%

\*1,942 replies

#### How many software programs did you, would you purchase for your computer in the first year?

	Percent of replies*
10 or more	13.2%
7-9	8.0%
5-6	19.2%
3-4	23.7%
1-2	27.4%
One or more	91.5%
None	8.5%

\*1,002 replies

#### What portion (%) of the software programs you did, would purchase would be devoted to each of the following?\*

	Percent of software programs
Business	33.4%
Entertainment (games)	27.4%
Education	20.2%
Home management (finances, etc.)	19.0%

\*372 replies

#### Did you get, would you want free lessons with the purchase of your computer?

	Percent of replies*
Yes	76.1%
No	23.9%

\*1,647 replies

#### Where did you, would you buy most of your software programs?

	Percent of replies*
Store where computer is purchased	66.8%
Software specialty store	22.6%
Other store that handles both computers and software	13.5%
Through the mail	4.6%

\*1,214 replies

\*\*Does not add to 100% because of multiple replies.

#### How much did you, would you spend for the personal computer only? How much for the computer package?

	Computer only	Computer package
(Number of replies)	(1,283)	(1,246)
Under \$250	15.8%	10.8%
\$250-\$299	11.5%	7.2%
\$300-\$399	15.3%	8.5%
\$400-\$799	23.1%	17.0%
\$800-\$1,499	15.7%	19.9%
\$1,500-\$2,499	12.1%	19.2%
\$2,500-\$2,999	3.6%	8.9%
\$3,000 or more	2.9%	8.5%

Average (median) price: \$527.12 for computer only; \$1,027.62 for computer package.

# Merchandising COMPUTERS

The complete guide for retailers

## Dick Schaak's Digital Dens tout computers

By Anne Krueger, section editor

ST. PAUL, MN—During two early-morning workday hours when others in the retail business are eating breakfast or planning their day, Dick Schaak can be found closeted in his office here hunched over a computer—a different one each month. The 43-year-old chairman of the board and CEO at Schaak Electronics, Inc. is boning up on the product category quickly taking over from 40 to 50 percent of each Schaak store.

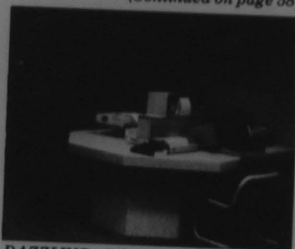
### Software distributors help new retailers avoid buying perils

By Deborah Cromer, contributing ed.

ENCINO, CA—With margins ranging from 35 to 45 percent, software sales can offset declining hardware profits to create an attractive profit center for neophyte computer retailers. At the same time, the mass merchant, electronics and TV/appliance dealer will provide the important link between computers and the mass market that is expected to broaden software sales to \$5 billion by 1985.

But, the burgeoning software market (today there is an estimated 400 packages available from 143 vendors) coupled with an expected fallout in

(Continued on page 58)



DAZZLING DESIGN should be a retailer priority when planning a computer department. ASID designer Bill Thomas, responsible for the homey design of the Computer Network (above), describes how thoughtful furnishings can be a dynamic contributor to a department's success, while poor design can be a major detriment. Story is on page 48.

Gone are videogames at the 62 Schaak stores and on their way in are Digital Dens—mini-stores within Schaak outlets that offer a range of home and small business computers, software and related peripherals and are manned by specially trained computer salespeople.

It was more than a year ago when Dick Schaak announced the Digital Den concept and began a rollout of what was planned to be a chain of computer outlets free-standing from existing Schaak stores. When videogames fizzled out and a lack of prime mall space slowed the Digital Den rollout, Schaak rethought the concept and made the move to include Digital Dens within existing stores. The computer boutiques will be installed within all 62 Schaak stores by year end 1983; eight were in place at press time. With new Schaak outlets hitting the drawing boards, a total of 75 Digital Dens are predicted by 1984. Schaak Electronics hopes to be the largest corporately-owned computer store chain within two years, Schaak said.

### Videogames get axe

The videogame category is being ousted from Schaak's selection basically because of the cutthroat nature of the business and because computer popularity is growing so quickly.

"I don't think videogames are necessary in stepping up customers to computers," Schaak said. "It would be a nice luxury to have videogames, but in our shopping center locations you have to have a high volume in a small space. We don't get that or the margins from videogames."

"We can't compete with the Toys R Us people and we don't want to," he continued. "Our niche is the customer who wants a sophisticated system, lots of service and who will be a repeat customer." Schaak estimates about 70 percent of current Digital Den customers are home users.

So far, profit margins have hovered

(Continued on page 56)



ROLLOUT OF SCHAAK'S DIGITAL DENS aims to have the mini computer stores installed within all 62 Schaak Electronics stores by year end, according to chairman and CEO Dick Schaak. Digital Dens (inset) are boutique-like computer departments run by specially trained savvy salespeople.

## The computer market explosion—who knows what will happen next?

NEW YORK—The recent explosion in sales of reasonably priced home computers is just the tip of the iceberg. This market, which was nonexistent just two years ago, will grow exponentially through 1990, according to Bill Turner, president of Texas Instruments consumer group. He predicted more than eight million units will be installed in people's homes by the end of 1983.

What do predictions like these mean in terms of retail trends? How are customers going to choose from the huge selection of computer systems and the growing number of outlets selling computers? What will happen to prices and computer literacy? Merchandising asked vendors for answers to these questions and for their views on where the market is headed.

### Everyone will sell computers

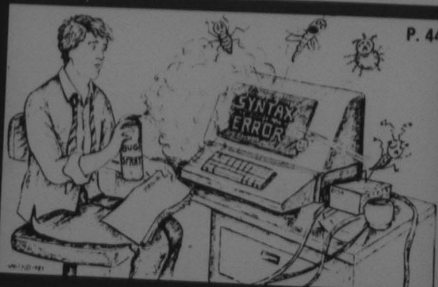
This year's real six-million dollar question, according to Jon Loveless,

vice president of marketing at Synapse Software, is who will be selling computer software and hardware in 1984? Maybe a better question would be who isn't going to get into the business, because the list of contenders—department stores, discount houses, mass merchandisers, catalog showrooms, audio, video and electronics dealers—already is long.

That's because this will be the year of experimentation for retailers considering the computer business, said Ron Ockander, national sales manager, Epson. He expects retailers to take different tacks: some throwing it on the shelf and hoping it sells itself; some giving up before a legitimate test period is over, and some who're determined to make it work.

Those people are the ones who're saying, "This is a market. It's going to continue to be a market and a very definite growth market for us," Ock-

(Continued on page 53)



P. 44

## MERCHANDISING COMPUTERS

W/S LINES.... NEWS LINES.... NEWS LINES.... NEWS LINES.... NEWS LINES....

**NEW YORK**—Consumers running into snags with their **Wizware** software from Scholastic need to just dial an 800 Wizline number for help. During the day, technicians man the phones to give users on-the-spot help. But after five p.m., users can dial and get a Scholastic **Wiz Kid** for assistance, according to Roger Buoy, vice president of marketing.

The children, well-versed in Scholastic software and computers, will try to solve the problem on the spot, or promise to get back to the caller within a nine-hour period. If the user still is unable to solve his dilemma, the Ultimate **Wiz** will get back to him from the New York headquarters. **Wiz Kids**, numbering a dozen right now, will be placed in New Zealand, Austria, the U.S., Canada and the U.K.

Five titles, including the **Microzine** bi-monthly software "magazine," have been released this spring. Buoy said eight more **Wizware** titles would be out by August.

**DALLAS**—How long before the consumer can order new software through his computer, instead of going into the store? It's happening right now on an experimental basis. But the technology to bring electronic distribution to the masses is at least two years away, noted Softsel chairman David Wagman. "The traditional distribution channels are threatened. It's hard to see where everyone would fit should (electronic distribution) come about."

Wagman pointed to three problems electronic retailing would have to overcome first, however. In marketing the product, for example, does anyone know how to sell it through electronic distribution? Should it be sold on a per-copy or per-use basis? "The second problem is a matter of logistics," he explained. "The questions of copy protection, how documentation should be sent, and of royalties and pricing are issues." How, Wagman added, should a title be priced, when beyond the cost to produce, it only takes three seconds to send out? A good question.

**NEW YORK**—Commodore Business Machines is offering a \$100 rebate to Commodore 64 purchasers. To qualify, a buyer must send in any other home computer or videogame system, with the exception of hand-held game machines. The 64 recently has dipped to well under \$400 at retail. The mail-in offer began last month.

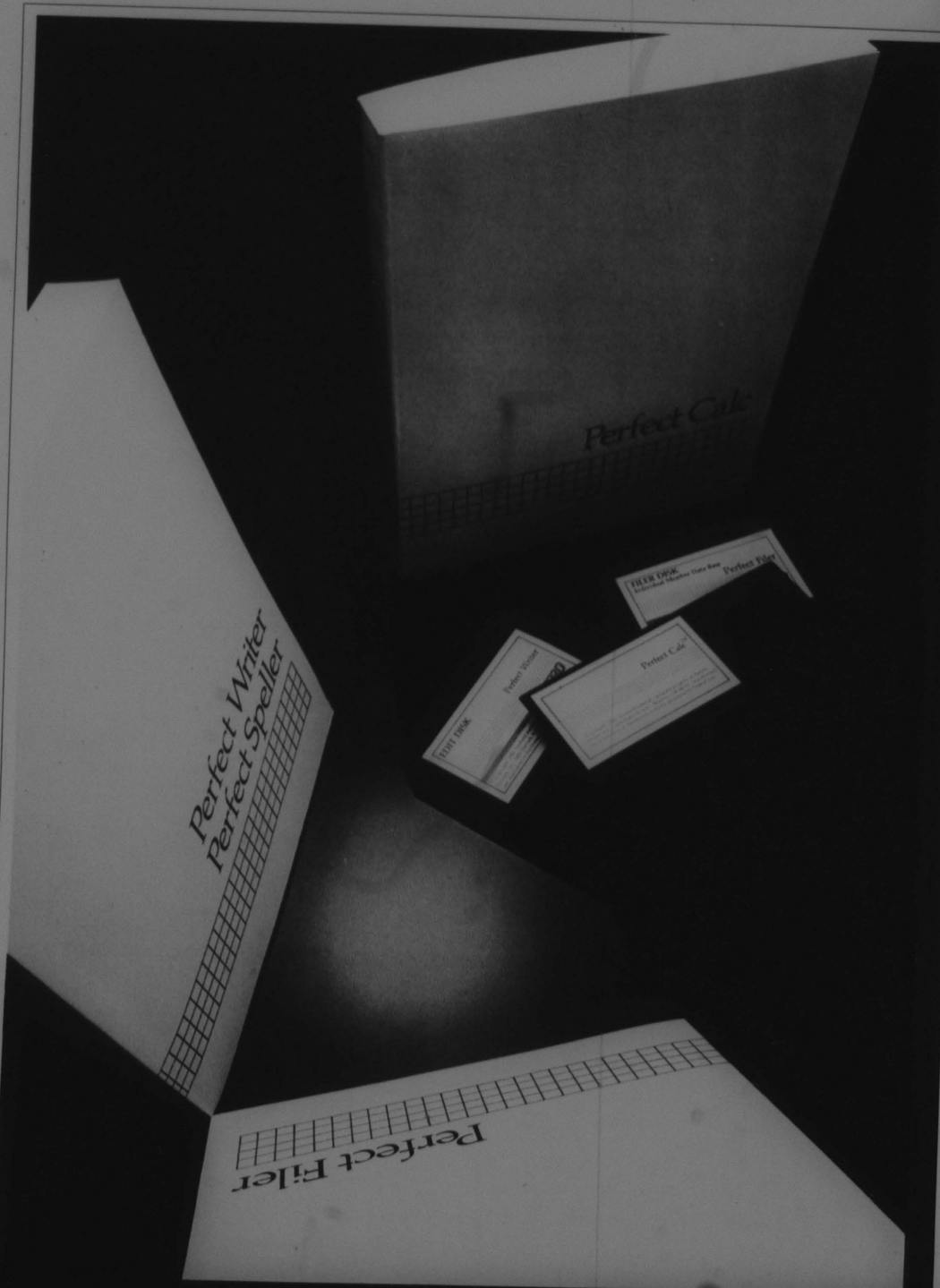
### BASIC premium

**NEW YORK**—Computer dealers, are you ready? "BASIC Ain't The Language of Love," a two-sided narrative recording in the country-western style, can be yours as a premium for your customers. The song chronicles the "highs and lows of a romance beset by computer bits, bytes and bugs," or when time spent on the computer affects a relationship.

**NORWALK, CT**—By 1990 an estimated 50 to 80 million people will buy a home computer just to learn how to use one. However, many consumers are presently buying home computers to play videogames or provide their children with the newest learning tool, according to a report from market research firm International Resource Development. But the sale of millions of computers will not alone make the product a household appliance, the report continued. The industry needs a software package that meets home

programming needs. Such a package may evolve from the consumers themselves, through initial use of the machines. What type of store will eventually grab most of the home computer business? According to the study, it won't be the major retail chains, such as Sears or K mart. While these stores will be the ones to see the most growth in the next few years, consumers will shift over to buying from stores that offer service and support, like electronics, computer specialty and home computer stores.

**FREMONT, CA**—Telesys will be showing its first computer software at the upcoming CES. Shaken by the recent news of financial troubles at Data Age and U.S. Games, Telesys is moving slowly in creating educational games that are fun and finding "have to have" software. Its software will be compatible with the Atari 400 and 800 and plans are in the works for VIC 20- and Commodore 64-compatible games. Computer games shown at the show will be conversions of Ram It, Fast Food and Cosmic Creeps.







**NEW YORK—Spectravideo, Inc.** announced its public offering will take place this month. The company showed its new SV-318 personal computer and related peripherals at the January CES, in addition to its videogame software and Quickshot joystick. Pictured is Spectravideo's Josh Kalter.

## NEWS LINES.... NEWS LINES.... NEWS LINES...

**FORT WORTH, TX—Radio Shack** has joined the portable computer terminal market with the model 100 micro executive workstation. The \$799-retail unit can function as a desk organizer with appointment calendar, directory and auto dialer operation, as a word processor, an ASCII terminal and as a microcomputer programmable in BASIC. The battery-powered unit has 8K RAM, while a 24K version retails for \$999. The portable comes with built-in software, a built-in modem and a full-size typewriter keyboard. Both can be

expanded up to 32K RAM. Five ready-to-use programs are contained in 32K ROM, including a text filer, schedule program, address organizer, communications control with modem and RS-232 interface and BASIC. The LCD screen has eight lines of forty upper and lower characters.

**NEW YORK—Compuvision** calls its point of purchase system the medium of the '80s. It is a unit dealers can place in a handy spot in their stores to encourage more purchases. Consisting of a display unit and either an Apple II or Commodore 64 computer, Compuvision can spit out up to five hours of commercials or messages. When a customer uses it a menu appears and the customer can select a brand of software, for instance, he or she wants to know more about. Instead of having to have a salesperson spend a lot of time in product explanation, the Compuvision will do it for them. The machine using the Apple features actual keyboard access to the shopper and costs \$115 a month to lease or \$2,895 to buy (Apple extra). Another model called the Compuvision 1200 is designed for the mass merchandiser market and costs \$4,500 to buy. It includes the Commodore 64 and diskette, disk drive, Panasonic monitor, VCR and display unit. The 1200 is not ready to rollout until 150 stores sign up for the service—the Broadway with 40 stores and Federated with 18 already have signed on. Compuvision will exhibit at the June CES.

**DALLAS—No one knows exactly** how the Japanese will enter the personal computer market, but the industry is watching with interest. One factor causing some of the Japanese firms to hold back has been the task of developing software for the American market. Douglas Carlston, president, Broderbund Software, predicted at a recent seminar by Future Computing here that these firms would address the software question by making IBM PC-compatible hardware. Softsel chairman David Wagman contended that distribution has been the main problem for the Japanese as "they just can't get shelf space." He disagreed somewhat with the assumptions that they had missed the eight-bit hardware boat, and were just waiting to manufacture 16-bit systems. The recent COMDEX show in Atlanta and the National Computer Conference this month should unravel the Japanese plans for the market.

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## MERCHANDISING COMPUTERS

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## MERCHANDISING COMPUTERS

### Vendor suggestions:

## Nine tips for making a success of your computer department

NEW YORK—Allotting a special store section for the selling of hardware and software, training sales people, targeting a specific market segment and, most importantly, making a mental and inventory commitment to the computer category, can go a long way toward making a computer retailing endeavor a success.

So said computer hardware and software vendors who spoke recently with *Merchandising*. Read on for more specific tips to computer retailing success.

#### Create an advanced electronics department (ACE).

Atari's Craig Cohen, director of field merchandising, suggested dealers create an advanced consumer electronics department, or ACE. "You'll find most dealers who have been successful in displaying computers and videogames together have their own version of an ACE department, where not only do they have videogames and home computers, but

they have telephone answering equipment, telephones, calculators and musical keyboards. Really, anything that's sophisticated and electronic is all going to be in that one area."

You can't just sit a computer on the shelf and expect it to sell itself, agreed Ronald Ockander, national sales manager, Epson. "The department store is going to have to dedicate some sort of an area for computers if they're going to be a success, the way Macy's has." The computer clientele isn't knowledgeable enough yet to be able to pick out a computer when it's just stuck in the middle of the TV department, he said.

Once consumers become aware of, and want, other non-game software, Mattel's William Gillis, vice president, home computer systems, believes even videogames and computers should be merchandised differently and separately.

But Gary Moscovitz, Mattel's director of marketing, doesn't think videogames and computers will be merchandised in two individual places in stores. Like Atari's Cohen, he thinks there should be a sort of personal

computer category. "At the bottom end, you have the very inexpensive videogame-only machines, which are still dedicated computers. And at the top end, you have whatever that retailer account has chosen to be the top end for price and performance. It will be a personal computing electronics area containing both hardware and software." He sees the software part of the section evolving into a record or book store configuration.

#### Learn, know and target a specific computer market segment.

"If I were a retailer, I'd be pretty selective about which segment of the market—the top or the bottom—I'd aim at," said Ockander at Epson. "And if I'd decide to go after two segments, I'd split those as well. For instance, I'd have a business section and an enthusiast section." Ockander explained two different kind of sells are involved when dealing with the consumer versus the enthusiast. Dealers must learn and know their chosen market segment.

#### Make an advertising commitment.

The best way for retailers to really let the public know that they have made a commitment to the computer market is to advertise, according to Atari's Cohen. Take advantage of co-op dollars, he said, and use newspaper advertising to develop a wide distribution at a relatively low cost since it's difficult to explain a computer in short radio or TV spots.

#### Use distributors.

If you want to be able to return software that doesn't move and get help in title choices, definitely use distributors, said Jerry Jewell, president of Sirius Software. The neophyte buyer can get better deals by buying direct but can get a guarantee of 100 percent returns from distributors, he said.

#### Don't be wishy-washy. Make a mental and inventory commitment.

## A glossary of computer terms for the uninitiated

**BASIC:** Beginners All-purpose Symbolic Instruction Code. This is a language for communicating with the computer and is one of the most widely used computer languages around.

**Bit:** An individual link. Can be a binary digit—either 1 or 0—or can be on or off, true or false, dot or dash.

**Bundled software:** Software that comes as part of a package with a computer. Bundled software takes the decision of what software to buy out of the hands of the un-tutored computer consumer. This is a trend computer manufacturers see in the future that will aid the novice and reduce the time-consuming task of getting to know the computer.

**Byte:** A group of eight bits. Can be thought of as one character since eight bits often is enough to code the alphabet, upper and lower case, numbers, symbols and some graphics. About 2000 bytes (2K) to a page.

**Bug:** A problem, hitch or error in a program is called a bug. Usually bugs are caused by poor planning or a typographical error when entering a program into the memory. The program won't run properly with a bug. **Debugging** a program is the art of finding and fixing the bugs.

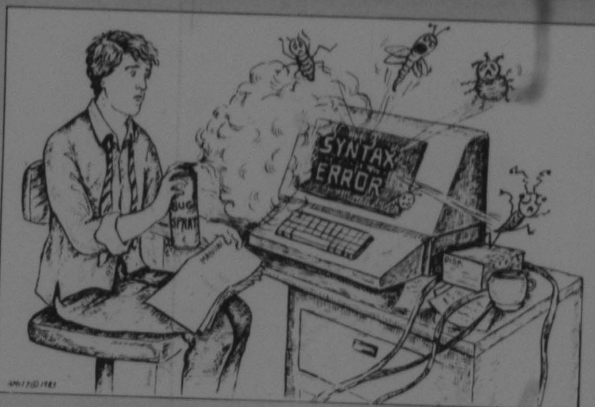
**Character:** Any information that can be stored in one byte. Examples are letters of the alphabet.

**Computer literacy:** Understanding the language and functions of computers.

**Data:** Word used to describe alphabetical and numerical information.

**Disk controller:** A dedicated microprocessor that handles the data going to and from the disk.

**Disk drives:** Storage devices for computer



software. Disk drives come in various sizes and capacities.

**Edit:** To change a section of program code.

**Enter:** A command that tells the computer that you're finished putting info into it via the keyboard. A key on the keyboard usually will say "Enter."

**Firmware:** A word used to describe operating instructions for the computer that generally are found in the ROM.

**Flowchart:** Method of outlining the logic of a program using diagrams.

**Hardware:** Computer equipment; not the programs.

**Integrated circuit:** Small circuit also known as "chip" or IC. Used to replace larger and more expensive circuit components.

**Keyboard:** The typewriter-like mechanism on which computer commands are entered. Some computers come with

keyboards, others must be purchased separately. Keys can be raised, like those on a typewriter, or flat, printed on a plastic "membrane."

**Kilobyte:** Also known as byte or K. A unit of computer memory which represents 1,024 bytes.

**Language:** Commands and statements which when put together allow communication with computers. Examples are BASIC, FORTRAN, COBOL.

**Mass storage device:** Any number of pieces of machinery used by the computer to store large quantities of information. Can be either magnetic tape or floppy or hard disks.

**Microprocessor:** The "miracle chip" which is the actual brain of the computer. Examples are Z80, 6502, 8088, 6800. Z80 currently is the most popular.

**Modem:** A device which, via a telephone, hooks the computer with various telecommunications services.

**Monitor/video screen:** The TV-like device which displays the computer commands, programs, games, etc. With less-expensive computers a traditional TV is often hooked to the computer; others use dedicated monitors.

**Operating system:** A program that controls the workings of the machine. Examples are CPM, CPM-86, etc. The operating system is what determines which software will run on the computer.

**Peripheral:** Any number of add-on devices to a computer including modems, monitors, tape recorders, disk drives, controllers and printers.

**PROM:** Programmable Read Only Memory. (EPROM is Erasable Programmable Read Only Memory—a type of memory that doesn't require electrical power.)

**Program:** Set of instructions written by a programmer to teach the program what to do.

**RAM:** Random Access Memory. The part of the computer memory that is used to write programs and to store data in the form of variables. RAM is gone when the machine is turned off. It is necessary to operate a CPM program.

**ROM:** Read Only Memory. This part of the computer memory contains the BASIC interpreter language instructions. ROM is locked into the computer. It can't be erased, changed or used by the programmer.

**Statement:** A computer program instruction.

**Software:** Computer programs.

**Syntax:** Properly structured instructions that tell the computer what to do. Improper syntax won't make sense to the computer and the instruction won't be interpreted and carried out.

Retailers just entering the business must make a full commitment—this isn't a halfway business. "What systems a retailer supports, he should support 100 percent," said Bob Zangrillo, national sales manager, Panasonic. Retailers need to offer a good selection of software titles; have good, knowledgeable salespeople; provide a service department, and highlight it all with point-of-sale materials. "Most importantly," he added, "dealers must make sure their computers are running. I've seen too many displays where the computer was turned off."

Making a commitment means having enough space and stock to carry every peripheral for the chosen hardware line and to be able to demonstrate them when requested, he said.

The retailer heading into the computer market is going to have to make some adjustment to his selling approach, agreed Gillis at Mattel. Carefully trained and well-informed salespeople are a must, he said. Dealers also must use their own best judgment as to product mix and stop looking to manufacturers for all the absolute answers. "The prudent dealer will plan an intelligent mix of products himself. We as manufacturers can't sit and give them ivory tower answers."

#### Set up a deal with the public library.

Atari's Cohen tells of an Oklahoma dealer who worked out an arrangement with his public library. He provides the library with computer equipment and it's there on a regular basis for the public to come in and utilize. It's support on the local level that could bring a retailer a lot of attention, he said.

#### Try selling computers in packages.

To sell a larger dollar value, Cohen also encouraged dealers to try package selling which includes higher-margined software and peripherals in the sale.

"Many dealers are selling the product in a package form and I think we'll see more of this. It's very similar to the stereo business," he pointed out. "Buying a computer without peripherals or software is like buying a stereo and not buying records; like buying a receiver and not buying records."

Cohen recommended dealers take a lesson from the auto industry. "When you see an ad for an Oldsmobile Cutlass, or a Buick Riviera, they always show you the model with all the accessories, all the bells and whistles...It's got all the options on it. Because they make much less month selling a stripped car than they do selling one that's fully equipped." That's what dealers should do, he said, and it's not only beneficial to the dealer because margins are greater for him, it's beneficial for the consumer as well because now he has something he can take home, sit right down and use.

#### Plan a computer fair.

Computer fairs are a great way for dealers to draw traffic for the purpose of showcasing their product offerings, Atari's Cohen said. "It's an investment in time and effort," he admitted, "but it's worthwhile."

#### Offer computer classes.

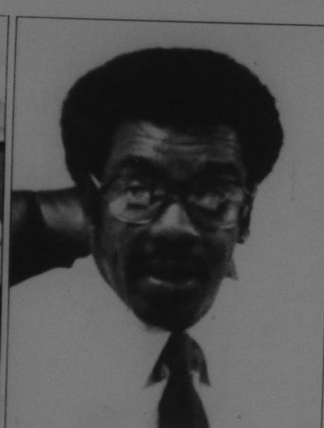
"I think dealers should offer customers computer classes," said Mattel's Gillis. He admitted many retail-

ers are hesitant to take that step.

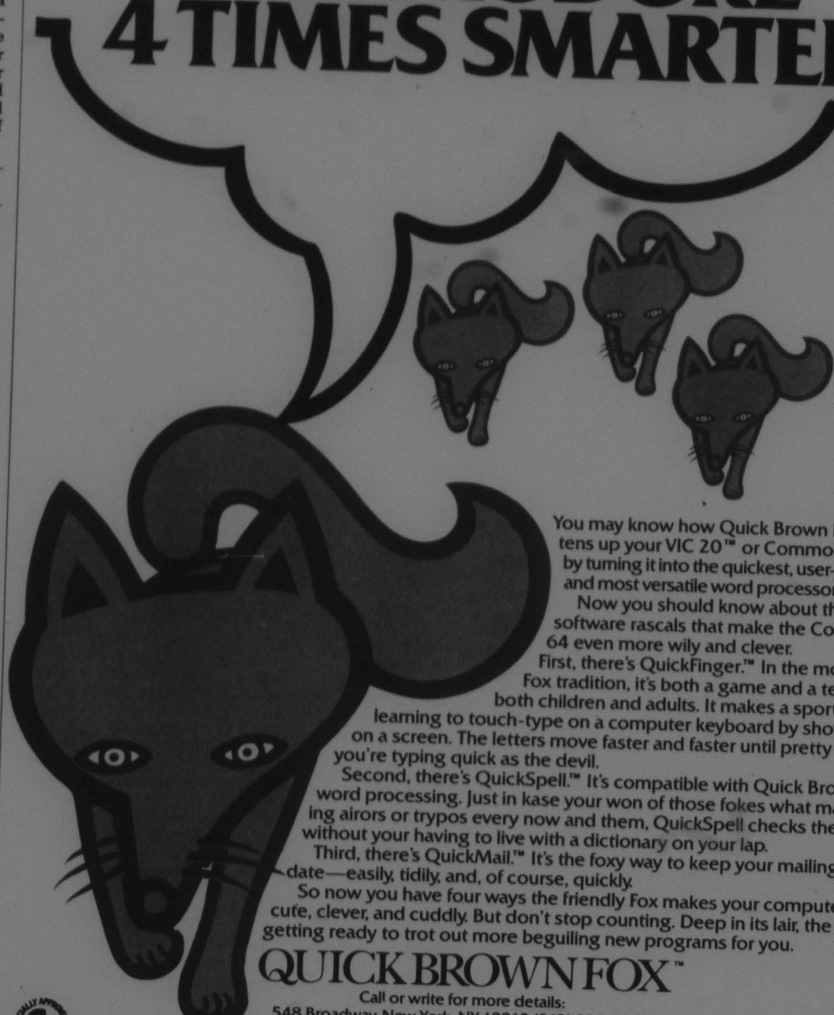
Every dealer should have a service facility in their store, agreed Frank Leonardi, director, retail sales development, Apple. "We encourage dealers to have a classroom, so in case they sell the product and the customer really missed the boat on what he was buying, he can bring that customer back in and train him."

To help dealers planning to offer training or courses, Apple will send special training people to the store.

**TARGET A SPECIFIC MARKET** is the advice from Ronald Ockander, Epson's national sales manager (right). He pointed out two different kinds of sells are required when dealing with the enthusiast versus the consumer. William Gillis (far right), Mattel's computer vice president, suggested dealers hold computer classes.



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# The retailer question:

## What can my vendors do to help me be successful?

By Lee Rath, editor

NEW YORK—The plaintive retailer question "What will vendors do to help me make a success of my computer department?" is about to be answered. *Merchandising* polled a cross section of computer hardware and software manufacturers to determine their plans to fill the gaps in retailer computer knowledge, merchandising skills and sales techniques. It turns out savvy vendors are implementing a plethora of dealer aids including:

- On-going salesperson and customer training.
- Direct mail campaigns to raise customer awareness levels.
- Watts lines.
- Service contracts.
- Product demonstrations.
- New product updates.
- Department setup and store planning.
- Inventory advice.
- Financing.
- Technical support.
- Educational sales departments that help retailers target the school system market.
- Mystery shopper program.
- Targeted advertising campaigns.
- Snazzy packaging, some of it scaled down to allow stocking of more sku's.
- Newsletters.
- Display maintenance.
- Point-of-purchase merchandising

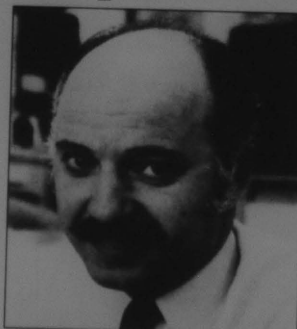


aids including free displays, signage, videotapes, etc.

### Epson branches out

Epson, which has sold its computers mostly through specialty stores, is branching out to reach other retailers. "We are moving more towards the white and brown goods dealer, but we're doing it very selectively," said national sales manager Ronald Ockander. "When we go to a mass merchandiser we are looking for a full-service sales organization."

In recent months, Epson has placed its products—a line of printers, the QX-10 desk-top computer and the HX-20 portable computer—in stores operated by Macy's California, Bam-



IMPORTANCE OF DEALER AIDS was stressed by (from left to right): Mattel's Gary Moscovitz, Apple's Frank Leonardi and Atari's Craig Cohen.

berger's, Bullocks and others. All have made a strong commitment to computers, Ockander said, similar to what will be required by other stores seeking to carry the line.

To reward those who have learned their lessons well, Epson has launched a mystery shopper program that will cover every one of its retail dealers. Salesmen who meet minimum requirements will receive, on the spot, either cash or a voucher for a gift valued at about \$100. Those who pass this first test will also be shopped again for a chance to win the grand prize—one of three automobiles.

Epson will help out with displays, financing, specialized software, in addition to its mystery shopper program and other aids.

A modular display/demo area is now being prepared by the company. It will hold, in three sections, the HX-20, the QX-10 and the Epson printers. The entire display, which stands against a wall, will run 7 1/2 ft. long.

On the financial side, a floorplanning program is offered. And local distribution centers allow retailers to "stock less, and still have good turnaround," Ockander said.

Each distributor also maintains a classroom and a technical support staff to educate retail salesmen. This support staff has been trained by Epson in California.

(Continued on page 55)

## Adjust software marketing to home computer use

By Bill DeSiena, consulting editor

DALLAS—Software suppliers, their eyes fixed on the general retail sector, are preparing to market home computer titles much differently from the way they handled personal computer product.

Industry executives say this is necessary because:

- The home market is being pursued by virtually every type of retailer.
- Home hardware and software are more vulnerable to price erosion than personal computer hardware and software.
- Winning shelf space will be a struggle; it is at a premium.

These points were discussed by suppliers attending the recent Personal Computer Software Industry Forum '83, a series of seminars hosted by the research firm Future Computing.

### FUTURE COMPUTING

Mass merchandisers in 1983 already will own 13 percent of the \$8 billion personal and home computer hardware market, according to Future Computing's figures. By 1988, the firm projects, they will possess about 16 percent of a market that will have grown to \$28 billion. The picture for software share is even brighter.

#### Look at end-user view

In order to understand that mass market better, manufacturers must

look at it from the end-user point of view, urged Hank Scheinberg, president of Continental Software. "We are now aiming at a non-technical market, and have to woo consumers who regard the computer as a natural enemy."

"Now that we are going with mass merchandisers, we have to learn new rules of the game," he said. Packaging, merchandising and pricing strategies must all be changed. Retail sales staffs must be educated. The product has to be repackaged in a standard size for display. And advertising has to be recreated, aimed at the non-technical person. "Continental is a publisher of accounting, tax and other financial software for the home computer buyer."

Price, which is not much of an issue in the personal computer market, becomes an important factor in home computer hardware and software. Where price wars are being waged daily at the home level, the personal market has not been affected, pointed out Douglas Carlston, president of Broderbund Software.

To illustrate, he noted that when the Apple IIe was introduced to replace the Apple II Plus a few months ago, "prices did not go down; in fact, they actually went up a little."

On the personal computer software side, Carlston pointed to the publisher Penguin Software. The firm dropped prices on its Apple titles from \$39.99 to \$19.99. But because of the Apple user's price perceptions, Carlston predicted,

the experiment would generate few if any extra sales. David Wagman, chairman of the distributor Softsel, backed him up, reporting that in the few weeks since prices had been cut, there was no difference in the amount of software retailers were ordering.

Wagman later raised the question of whether the industry would start using a cost-based strategy as opposed to one based on what the manufacturers felt they could get for their product. For now, he added, "the consumer doesn't feel as if he is being ripped off. He thinks he is indeed getting his money's worth."

"The consumer is still comfortable with the way the market is moving. He's getting more for his money," the distributor went on, saying that while Visicalc, for example, is more expensive today by about \$100 for the package, it is also more powerful than the original of a few years ago.

Broderbund's Carlston pointed out that as more and more mass merchandisers start carrying home computers, shelf space becomes an increasingly important issue, one which manufacturers will be forced to address. This is true, in part, because entertainment software plays a much more important role at the home level.

Because the shelf life of a game is closer to three months, versus six to nine months a year ago (when there were fewer titles), display space is at a premium at the mass merchandiser level, commented Datamost president David

Gordon. But there will be some staples developing in the entertainment market, just like in the record business, where a strong album will sell for years.

The shelf life of other software types, such as education and personal enrichment, is likely to be longer than entertainment. "But the home computer market is primarily an entertainment market," said Carlston.

Contrary to what some believe, he predicted that non-game software will not become a huge secondary market. Instead, he sees consumers developing a strong brand consciousness among the manufacturers of game titles.

Despite the problems mentioned by suppliers, Future Computing's findings are extremely positive for the general retail sector. Mass merchandisers will achieve greater market share in hardware over the next five years. Consumer electronics stores, the study shows, will keep the same market share (eight percent) while their dollar amount of sales grows.

In software, mass merchandisers will move from an 11 percent share in 1982 to 18 percent five years from now. Electronics dealers are projected to grab an eight percent share in 1987, after not being a factor in base year 1982.

The biggest jump goes to the software-only store, expected to achieve a 27 percent share in five years, from a one percent share tallied last year. Most of their growth will come from the traditional computer store.

# Designline:

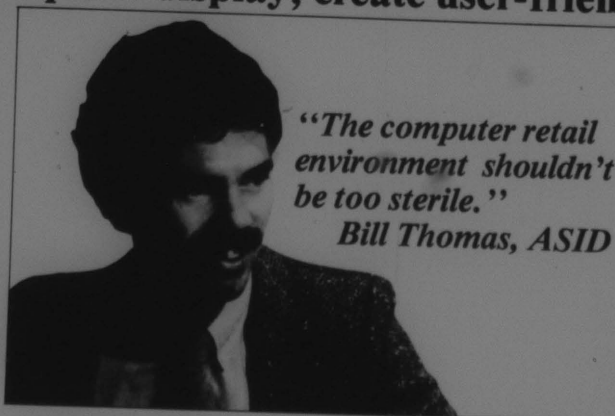
## Avoid hi-tech computer display; create user-friendly environments

By Anne Krueger, section editor  
STAMFORD, CT—Retailers creating high-tech store environments to showcase computers and other high-technology products could be taking the wrong design tack, according to Bill Thomas, vice president, Bernard Vinick Associates, Inc., Hartford, CT.

"The computer retail environment shouldn't be too sterile," Thomas told *Merchandising*. "It's difficult enough to get humanoids to sit down in front of the machine. It's best to create a user-friendly environment—not a black and white high-tech environment."

Thomas, an American Society of Interior Designers (ASID) affiliated designer, recently completed work as project manager for the layout and interior design of The Computer Network, a computer specialty store here. The design techniques he used in The Computer Network could be applied to the creation of, or improvement of, any retail space set aside for computers. The concepts are simple:

- Set the computer section apart from the rest of the store.
- Choose a theme, whether it be color, angles or furnishings, and use it consistently.
- Stress warmth in the design of the department to avoid alienating those customers who already are intimidated by computers.
- Attract those passing by with enticing displays. Keep the impact up front.
- Pay careful attention to lighting, since computer screens reflect glare.



*"The computer retail environment shouldn't be too sterile."*

*Bill Thomas, ASID*

- Create flexible displays that can change with the product mix and keep product visible yet secure.
- Have a separate sit-down area for those customers wishing to try out machines at length.
- Create a semi-private sales or conference area for finalizing big sales.
- Use glass whenever possible to keep sightlines clear. Avoid over-use of mirrors and other high-tech design devices.

### Homey not hokey

Thomas and Computer Network owners Ben Schugan and Shepard Goldberg were interested in creating

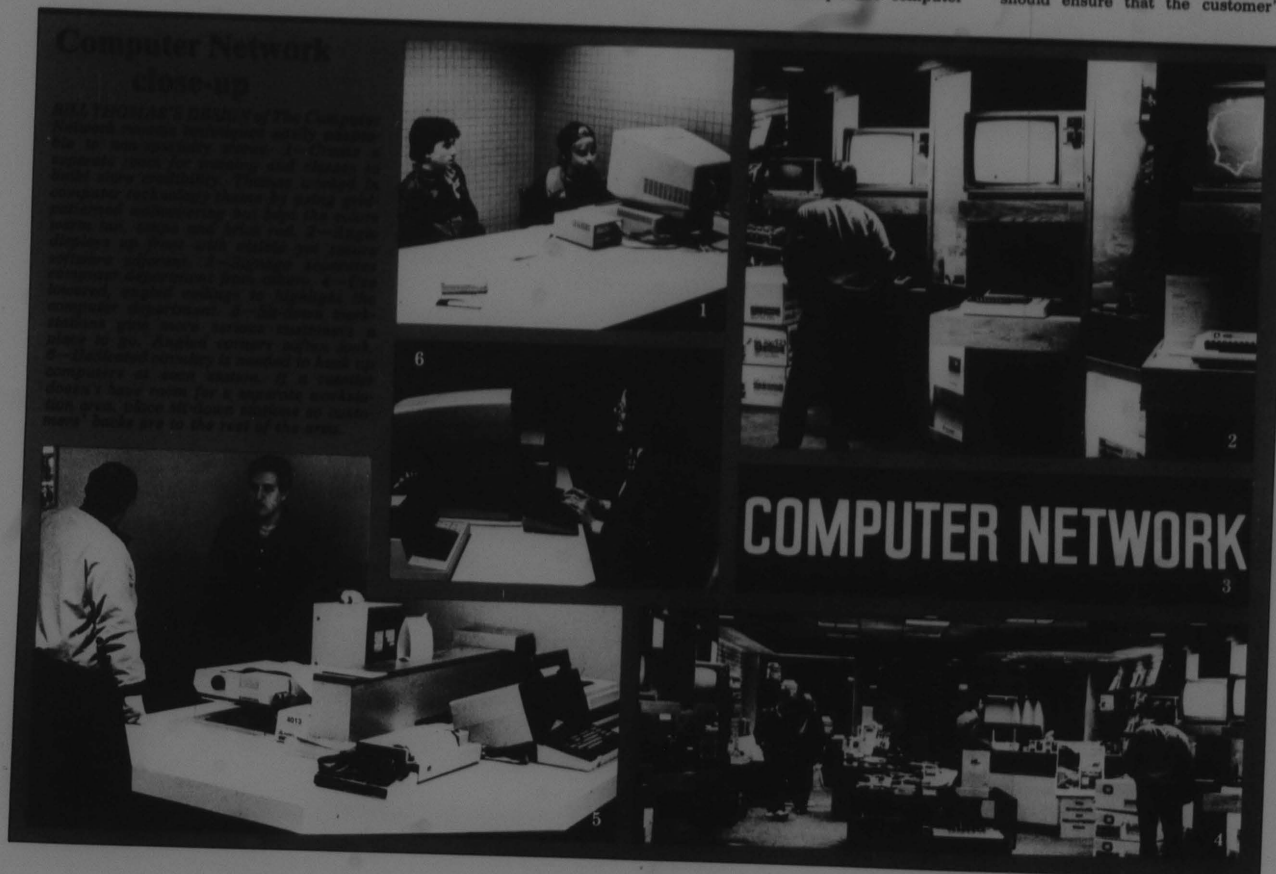
a retail space that had a welcoming homey feeling, yet remained professional. They chose a color on the warm end of the spectrum—brickish red—and used oak accents throughout. A couch seating three was placed near four sit-down computer stations to give customers a comfortable resting/waiting area. The idea is the computer customer—whether corporate or home buyer—at ease within familiar residential-like surroundings will be in a favorable mood to buy.

The store-within-a-store concept is best put to use when computers aren't the only items being sold, Thomas said. Creating a sense of division between the boutique-like computer

space and the rest of the electronics, appliance or department store can be done with different floor- and wall-covering materials, different colors and by using different design elements.

Thomas pointed out the transition between one department to the next need not be dramatic and can be as subtle and harmonious as something people just sense. "The trick of creating separate spaces within other spaces is to avoid creating a claustrophobic atmosphere," he said. "You can't let a divisional element get in the way of customer sight lines." The Computer Network used a lot of glass to avoid a cramped and closed-in feeling in the narrow store. An in-store training room is glassed on two sides to give an open feeling. Thomas advised retailers to avoid the creation of cul-de-sacs or out-of-sight spots.

In addition, Thomas stressed the importance of creating sensible traffic patterns and the separation of functions within the computer department. The Computer Network was designed to have several things going on at once without it looking like a circus, Thomas said. That is done by creating more casual spaces upfront for the customer interested in less-expensive and self-explanatory products as well as private, partially removed areas for those persons wanting more in-depth explanation and trial of the machines. If the retailer can't create a separate section for this more-serious user, he at least should ensure that the customer's



back is to the rest of the section, Thomas said.

#### Pick a theme

He also suggested retailers choose a certain theme and then use it consistently. In The Computer Network, Thomas chose an angular theme to go along with the homey feeling. Four stand-up display units on each side of the outlet's opening to the Stamford Town Center mall are angled toward the passerby. Most of the less-expensive computers and videogames displayed there are left on an attract mode so activity on the screens will further attract mall traffic into the balance of the store where the more expensive computers are displayed.

Further back into the rectangular-shaped 3,200-sq.-ft. store, more angles are used in display units and the cash register desk configuration. (A note on cash register desk placement: Thomas believes having a checkout-type counter at the front of a store or department gives a discount store feeling and is inhibiting. He suggested the counter be placed in the center of the computer store or department where—if there is only one person manning the desk—the entire store is in sight.)

Workstations for more intense viewing of computers sport angled instead of straight corners to soften lines and avoid customer injury on corners, Thomas said. A miniature conference room also was created in a hexagonal shape and is glassed to allow a view of the store. Angles also are repeated in lowered ceiling areas which are designed to add architectural interest. These lowered ceilings could be a subtle and effective way to highlight a complete computer store-within-a-store.

"Your store space has to carry

itself," Thomas explained. "You can't depend on color, pattern or decor. You must create interesting spatial relationships." When a retailer decides on an angled, cubical or circular theme, and carries it out throughout the computer section—that alone will set the section apart, Thomas said. Then, choosing a warm color and deciding on the proper lighting is the icing on the cake.

In keeping with the chosen Computer Network theme, Thomas also picked a grid-patterned wallcovering for the training room and other parts of the store. Thonet open-web chairs in the training room also give a grid appearance, Thomas pointed out.

Because security is a prime concern in any computer space, Thomas placed software and magazines behind the angled customer checkout counter. In addition, related software is locked in illuminated glass cabinets to the side of each standup display unit. For impact, all software must be visible, he reminded.

#### Illuminate with care

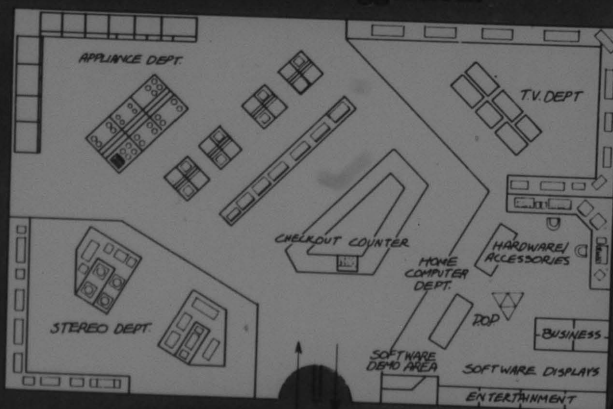
The eye is attracted to color and light, Thomas pointed out. The Computer Network wanted subdued lighting to avoid glare from computer monitors and to help maintain the sophisticated and non-frightening store format. Thomas suggested retailers use spots and well-directed lighting units and keep up on current lighting trends. Thomas reminded retailers that dedicated circuitry is needed for the set up of each computer unit in the store or department.

While Thomas recommended carpeted floors to reinforce the user-friendly feeling of the computer space, he admitted static problems could arise from using inappropriate floorcoverings. Retailers should be aware that wool carpeting is a great

static carrier and should be avoided. Using a dehumidifier and carpeting that has non-static electricity elements that serve as grounds can

combat static electricity problems without taking away the essential feel and tactile elements a plush floor-covering can give, Thomas said.

### Store layout suggestion:



**REORGANIZING A NEW COMPUTER DEPT.** Thomas said the traffic pattern of a traditional TV/appliance store will grab the attention of shoppers and draw them to the center of the store. The computer store, however, should draw the customer to the perimeter of the store. The layout should be designed to draw the customer to the perimeter of the store, where the most expensive products are located.

Thomas said that a store's layout should be designed to draw the customer to the perimeter of the store, where the most expensive products are located. The layout should be designed to draw the customer to the perimeter of the store, where the most expensive products are located. The layout should be designed to draw the customer to the perimeter of the store, where the most expensive products are located.



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16K COMPUTER



# Video Etc. caters to two computer markets

By Debbie Rosenblum,  
contributing editor

DEERFIELD, IL.—While many dealers are still grappling with the difficult task of trying to make sense of the computer business, Sonny Cohen, president of the four-store Video Etc., has developed a formula for success.

Instead of just knocking out what's hot, Cohen has methodically tailored his operation here to two separate markets. For the home user most concerned with price and entertainment features, he has the Atari 400, Atari 800 and Timex. For the business user, he offers Apple II, Apple III and Kaypro II. Cohen stocks related software and peripherals for all models.

He calls selling to the home user "box selling" and finds it has little profit potential. "Package selling" to the more business-oriented customer provides the real opportunity to make money. It also enables Cohen to sell not just the product, but the whole Video Etc. store concept.

This dual market approach combined with a well-trained sales staff, top-notch service department and an early start in the business have helped Video Etc. prosper. Since Cohen launched the Deerfield operation in April 1977, he's opened another full-line store in south suburban Orland Park and two service units that also carry software and accessories. Computer sales volume, which accounts for 60 percent of the total, has increased an average of 25 percent annually.

At the Deerfield store, 1,800 sq. ft. of the 3,000-sq.-ft. display space is devoted to computers. The Orland store has 2,500 sq. ft. of display of which 1,500 sq. ft. are occupied by hardware, software and peripherals.

## Overcomes slow, early start

Admittedly, Cohen launched Video Etc. at a time when the general public had little computer knowledge. That presented a problem in itself. "My concept was a high-technology store

VIDEO ETC. HAS GROWN from one experimental outlet to two full-line stores and two service centers serving the Chicago area.

that specialized in selling terminal equipment to the home market," he recalled. "But I had to call it something to which people would relate. Since most everything needed some kind of monitor, it became video."

The original merchandise mix consisted of the Apple II, videogames, videocassette recorders, telephone answering machines, cordless phones and projection TV's.

## Flea market stimulates biz

DEERFIELD, IL.—There are ways other than cutting prices to bring customers into the store. That's the premise on which Sonny Cohen, president of Video Etc., bases his promotions.

Take the Computer Flea Market, for example.

In an effort to stimulate business and gain exposure, Video Etc. conducts two-day flea markets where consumers are invited to bring their hardware, software and peripherals to the Deerfield store and sell them to other consumers. In exchange for providing the space and helping the consumer sell, Video Etc. takes a small cut—five percent.

"It doesn't amount to that much," Cohen noted. "We make volume when the sellers are liberated of their old merchandise that they don't use anymore and they take that money and buy something new."

The sellers could either stand by their goods and talk to interested buyers or they could leave, come

back later and find out what Video Etc. had sold for them.

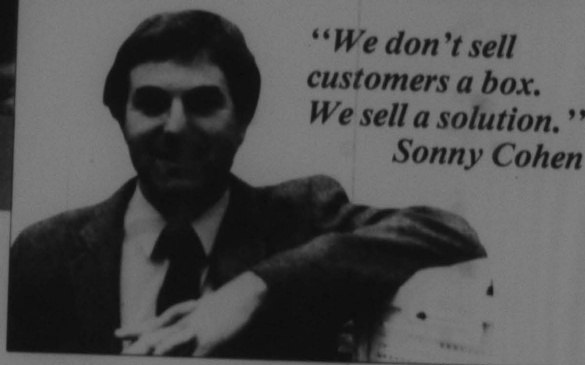
The first flea market was held in the summer; the second, in the spring. "I will always have it when it seems like a good time to promote and when we have nothing else to say," Cohen said. "It only takes about four weeks to plan."

Publicizing the event were announcements sent to Video Etc.'s 13,000-customer mailing list and a poster in the store's window. Plus Cohen ran a three-column by 100-in. ad in Crain's Chicago Business, the Chicago Sun-Times and the local north suburban paper the week before the flea market was planned to take place.

The flea market was held for the first time in 1981. The event was so successful that Cohen ran it again in 1982. And plans are in the works to repeat it again this year.

"It turns what might otherwise be a dull weekend into a very good one as far as sales are concerned," he reported.

—D.R.



*"We don't sell  
customers a box.  
We sell a solution."  
Sonny Cohen*

Though consumers came in, computer sales floundered. "For the first year or two, the product was bought by hobbyists who wanted to learn how to write programs," Cohen told *Merchandising*.

"Other than those few sales, the product didn't move. It just sat on the shelf. Other people looked at the computer and the general response was 'Yes, someday, I'll own one.' They actually made the right decision. There was no software," he pointed out. "Simply put, the product wasn't ready yet and the public wasn't ready for the computer."

Like other small retailers, Cohen decided to ease customers into the computer market via videogames. He initially sold both the Fairchild game and Bally Arcade. Video Etc. still offers an array of videogames but largely as a tool to introduce consumers to computers. "When people come in and want to buy a game, in many cases, we'll easily step them up to a computer by pointing out how much more it does," Cohen explained.

Other home computer customers—still more concerned with entertainment functions than education and business—often walk into Video Etc. and say "I'd like an Atari 800 48K system." "That's box selling," Cohen said. "I sell Atari and Timex like that because I'm competing with everybody and their brother." Video Etc. often sells these units at below cost.

Cohen said he uses those two brands "very much the same way the

mass merchandisers do—to build traffic, satisfy a certain market segment and create an image that we are a good place to shop, that we are price competitive."

"There's a very important distinction between box selling and what we like to do," Cohen said. Video Etc.'s goal is to sell a bundled package where the service of the store, the intelligence of the salespeople and the service department also are sold.

"So you're not buying just the product. You're buying Video Etc. You're buying a recommendation by a professional salesperson who says this is the product that's going to solve your problem. We don't sell you a box. We sell you a solution. Our job," he stressed, "is to find out what the customer's needs are and sell to those needs."

Typically, the person wanting certain applications, "doesn't walk in here and say, 'I'd like an Apple II.' He says 'I have this business and I can't keep track of my orders' or 'I have to obtain certain information from a telephone data source. Can you help me?' We say, 'Yes, these are the products which would suit you best.'"

Consequently, "I sell an Apple II with software, with a printer, with a modem, with other peripherals. It's bought as a whole package," Cohen emphasized.

Cohen sells Kaypro in the same manner and believes people in the sales profession are perfect candidates for the portable Kaypro. "We're not very far off from the time when

salespeople will need a computer while they're on the road. Actual order entry will take place right from the location where they are selling," Cohen predicted.

According to the Midwest merchant, both Apple and Kaypro are extremely interested in helping their dealers make money. "They recognize our commitment and they will not saturate the market. They care about the long-term. There's allegiance. Apple even runs training sessions."

#### Trained employees needed

That's vital to Cohen who expects his salespeople to stay on top of the market no matter how fast it changes. "The first quarter of this year, Apple held a product and sales-training program in Chicago. It cost me \$300 per person plus the time they were away from the stores. But I sent every single one of my eight computer people anyway."

He continued, "I will send them for training on specific products and how to address specific situations whenever there's something going on. It's critical to my business that they learn as much as possible. How else would they be able to sell?"

In addition to training seminars, Cohen encourages his sales force to go to the trade shows. "We go to Comdex. I'm sending my computer manager to the Computer Faire in San Francisco. I register all my people for the Summer CES," he said. "It boosts morale. They want to see what's new too. This is all above and beyond their salaries."

Of course, such professional help doesn't come cheap. "To sell the products in the manner that I want to sell them, I need good people which does cost," Cohen acknowledged. "But I'm convinced that a good person will justify his or her salary. The last thing I want to do is run an operation that's not credible."

Cohen also believes intelligent employees eliminate the need for software rack jobbers who, he said, reduce store margins.

Video Etc. currently deals with several software distributors that "we've found to be very satisfactory," Cohen said. Entertainment and education programs account for 60 percent of software sales; business programs, the remaining 40 percent.

#### Service with a smile

Another part of the operation that builds credibility and has contributed to its success is Video Etc.'s service department. "I won't carry a product unless the vendor will let me service it. I don't want to be sending equipment off to Wichita Falls or some other place and telling the customer it went out UPS when he needs his computer to run his business. What kind of position is that! You've got to have service or easy access to service," Cohen insisted.

He also offers customers service contracts which provide two major benefits. "Number one, it's insurance. Number two, it's a way of budgeting one's service costs. You know that it's going to cost you X amount of dollars. A lot of schools and businesses," he pointed out, "like the idea of guaranteed service."

Other advantages include priority service and loaners. "People with

Look for Merchandising's mini-directory of software distributors, hardware and peripheral manufacturers on pages 62-63!

# VIDEO ETC.

service contracts are serviced first. Plus we give them loaners if we can't fix the equipment or get it back to

them within 48 hours," he noted. "However," Cohen added, "we recognize businesses have certain

needs. If a person says it's a critical situation—he needs a computer right now—chances are we'll accommodate him."

Most people buy the service contract on a yearly basis, Cohen said. Prices vary for different products.

For those people who aren't able or don't want to bring in the nonworking equipment, Video Etc. has pickup and delivery for \$35. "When you offer service, you've got to get paid for it," Cohen maintained. "You'll go out of business trying to do it for free."

Besides requiring vendors to let him service product, Cohen has other requisites which must be filled before he takes on a product. "I ask what they will do for me and see if they're worth carrying in my stores," he stated. "Every dealership should consider itself an opportunity for suppliers, not vice versa."

## PLANT A BUSH UNDER YOUR COMPUTERS AND WATCH THE PROFITS GROW.

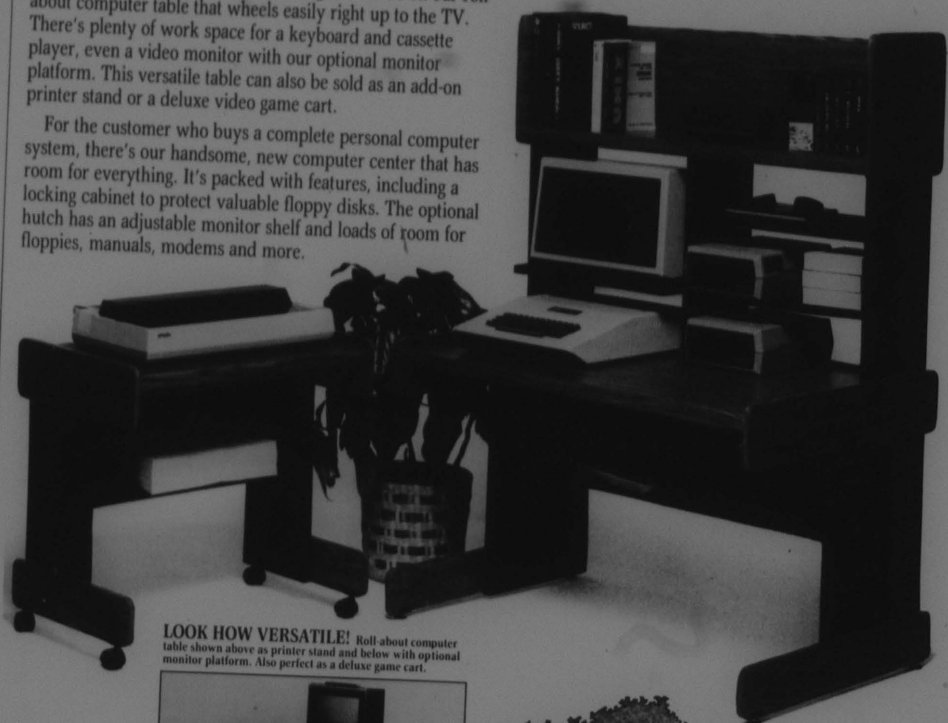
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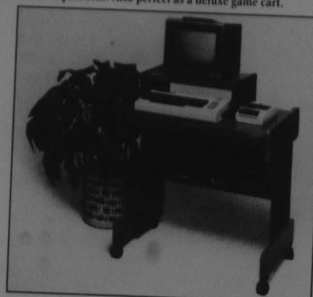
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# Prototype TRW computer center fills service void with a smile

By Anne Krueger, section editor

DALLAS—Service with a smile is more than a platitude at TRW here; service—and only service—is for sale. While others jumped on the computer bandwagon with hardware and software stores, TRW opened its Computer Service Center to fill the service void by doing what it knows best.

Open since October, the prototype store is 900 sq. ft. and services an average of 25 units per week, both computers and videogames. The service center is the first retailing branch of the national TRW service organization and aims to provide commercial quality service to the consumer who doesn't want to send his ailing small business or home machine to a remote location or wait for its repair. Plans for expansion will be firmed up later this year but John Harnett, director of planning and development at TRW, told *Merchandising* 15 stores will be open by the end of this year and 75 are slated to be on-line by the end of 1984.

Since third-party maintenance is TRW's sole service (it even offers system preventative maintenance checkups for \$25 or so), the retail outlet may round out its service work with maintenance agreements. These agreements based on a flat yearly rate will be available once the retail arm of TRW goes national, according to Gene Carson, Computer Service Center manager.

## How it works

TRW operates like this: The computer or videogame owner who has an identifiable or unidentifiable system problem usually brings the machine to TRW either because a) he can't wait to send it away to be repaired and wants immediate or quick turnaround, b) the system's warranty is expired or c) no one else will repair it because it's an unusual system or because it's been altered.

Immediate or 24-hour service costs a little more, but the majority of customers demand it, Carson said. For certain products—Adds CRTs and systems, Altos systems, Ampex CRTs, Anadex printers, Commodore computers, Cromenco computers, Data Products line printers, Datasystems controllers, DEC printers, Diablo printers, Hazeltine CRTs, IBM mainframe and plug-compatible peripherals, Micromation systems, NEC spinwriters, Okidata printers, QMS printer controllers, Televideo systems and CRTs, U.S. Design disk drives, Vector Graphic systems, Mattel videogames (and Aquarius computers and the Electronic Computer System soon) and some others—TRW simply will replace the non-working parts with good ones they keep in stock and send the customer on his way. Those parts are either repaired for placement in the next ailing machine, or sent back to the system's company headquarters.

TRW's retailing center can quickly service all these different machines and peripherals because of its mother company's national service setup. "It's faster to the customer to replace and ship the faulty units and it's cheaper for us at the same cost to the end user," Carson explained.

In the case of Mattel Intellivision repairs, since TRW is licensed to do

all Mattel warranty work, the customer with a faulty machine gets a working model for \$54 (next day) or \$60 (immediately). One new Intellivision hand controller goes for \$30; both are \$45. TRW keeps these in stock and sends faulty parts and systems right back to Mattel.

"With videogames, it's usually a problem with a component on the board," Carson said. Computer problems can be any number of things, he said. For instance, TRW charges \$25 to clean an Apple disk drive, \$75 for an electronic problem and \$130 for a mechanical problem. The only repair or service on the Apple that could cost more than \$100, Carson said, would be if the customer somehow injured the mother board (with spilled coffee or the like).

For Atari videogames, TRW has done the most work on fixing or replacing the on-off button (\$25 plus labor) and clearing up circuit board problems (\$42 plus labor).

A new power supply for the IBM PC would cost the customer \$250 as would a problem with the main logic board. Since IBM won't sell its PROMS, a problem with that aspect of the system would cost nearly \$500, Carson said, because TRW would have to deal with IBM.

System diagnosis and repair is done via a plethora of technical equipment in an area directly behind the circular service desk. Oscilloscopes, line printer testers, floppy disk testers (that allow TRW to work on floppy disk drives without the customer having to bring the whole system in) and diagnostic cartridges are used.

In addition to the systems and peripherals listed previously, TRW also services Texas Instruments, Atari computers and videogames and any other home or business computer system or oddball system—as long as the customer can bring along the schematics, Carson said. TRW doesn't work on modems or with Tandy Radio Shack systems. Tandy has no service center where TRW could buy

parts and Carson won't charge parts over the phone, he said.

## Price drops cause problems

TRW is not particularly interested in videogame repairs, but has used the fact they do them to lure customers into the store. The problem with videogames, and increasingly with computers as prices drop, Carson said, is the cost of repairing/replacing a system or part is almost as much as the original purchase price. "We don't service the Sinclair for that reason," he said. "If a customer can buy a new one for \$69 to \$99, it doesn't pay to have service done that would cost half that."

TRW is striving for a 40 percent profit at the retail level. That doesn't count home office expenses, Carson explained. Servicing videogames doesn't do much for the profit picture, he said.

Carson loosely tracked what sorts of machines TRW had serviced during two early-1983 months and discovered the outlet had worked on 19 different kinds of products. Averaging 25 units a week, the breakdown would look something like this: two to three IBM units each week, two or three IBM systems each week, four or five Apple systems per week, one Anadex printer each week, a VIC 20 every other week.

He reported videogame business is strongest during lunch and after-school hours and that moms are the most likely candidate for bringing the machine in. Computer users who've visited TRW so far are mostly men, Carson said. Sixty percent of TRW's customers are small business users; the balance are home users, Carson estimated.

For the benefit of the home user, a videotape showing customers how to repair and troubleshoot Atari systems runs continually on a monitor in the store and TRW provides Tips from TRW—free instructions for customers

TRW repairs your computer the same way it was built.

Professionally.

GRAND OPENING OCTOBER 1983 CARUTH PLAZA



From home video games to business computers.

TRW specializes in Computer Service. We have the staff and equipment to handle all your computer problems. We'll diagnose the problem, replace the parts, and get your system back up and running. We'll even help you with your software. We'll be there for you every step of the way. We'll make sure you're satisfied. We'll make sure you're happy. We'll make sure you're a TRW customer.

THIRD-PARTY MAINTENANCE is supervised at TRW's Computer Service Center by smiling manager Gene Carson (above). Insets (above right and below) indicate different methods of TRW advertising: a shopping plaza sign and newspaper ads. Ad focus recently changed from institutional to harder-hitting ads touting the repair and service of specific systems.

telling them how to keep their computer, videogames, terminals, printers, disk drives and diskettes healthy and trouble free.

While 90 percent of TRW's sales are service oriented, 10 percent does come from Inmac supplies displayed in a small portion of the store. Supplies include disk covers and holders, cables, etc.

TRW doesn't advertise the supplies, only service, and recently shifted its advertising focus from full-page institutional-type newspaper ads that didn't name names, to smaller hard-hitting ads advertising the repair of specific systems. Since Apple and IBM are the machines that pass most often through TRW's door, those systems are being targeted first. Ads run from two times a week to every day in local newspapers, Carson said.

## Employees are specialists

Although repair savvy, TRW's employees also were chosen for their smiles and sales personalities, Carson said. "They have to be technical experts but also must have the ability to deal with customers," he pointed out. A glassed partition separates the customer area from the repair area and employees must often man both at once. The glass prevents the small store from becoming claustrophobic and allows the customer to watch the intricacies of repair. Carson reported many people are fascinated by the insides of the machines and enjoy watching.

To fit the technical expertise/sales personality bill, TRW has hired employees already trained in engineering. Carson's right-hand men both come from within the national TRW organization; one from the board repair area and one from technical support. To keep its employees up to date on the technical front, TRW sends an occasional worker to a TRW two-to-three-week microprocessor school.



# The computer market explosion— who knows what will happen next?

(Continued from page 41)

ander said. "Those people making a substantial commitment today are going to be successful." The trick, he added, is to treat it like a specialty business.

According to Bob Zangrillo, Panasonic's national sales manager, mass merchandisers and catalog showrooms will fast become more important factors in the computer area, following the lead of the toy chains. He also expects to see more audio, video and electronics specialty stores getting into the computer act.

He's in agreement with Jerry Jewell, president, Sirius, who reported mass merchandiser chains and toy chains rapidly are picking up game software for use with the low-end of the computer hardware market.

Mattel's marketing director, Gary Moscovitz, said he thinks that's because the average consumer feels intimidated going into a computer-only store. "It's like a different decision than going into K mart or Penney's or Toys R Us or Montgomery Ward," he explained. Because of this customer resistance, Mattel isn't branching out into the strictly business kind of computer stores with Intellivision (and its computer keyboard and peripherals).

The mass merchandiser will be approaching a crucial stage, said Ed Moran, director of marketing, Quick Brown Fox. "With lower-priced hardware coming into the market, it's no longer the knowledgeable computer buff buying. A much less tolerant end-user should be catered to," he pointed out. "This consumer will want to return his home computer like he would his toaster, if it doesn't work. The same thing goes for software; the consumer wants an easy-to-use product, which means the retailer must now train sales help to answer questions."

## Customers will experiment

Along with dealer experimentation will be customer experimentation, Moran said. "All of the low-end computers, be they desktops or portables or what have you, they're opening up a whole new market for all of us. They're bringing computers out at a price point that will allow people to experiment." Some consumers will turn off to computers right away, but those who become interested eventually will step up to a more expensive computer, he said.

Influencing the tremendous boost in customer interest and in computer sales was what TI's Bill Turner terms the swimming pool effect. "You know someone who owns a swimming pool and he convinces you that you need to live the good life too. So you go out and get a swimming pool," he explained.

"Home computers have probably grown as much as they have the past year because people saw the product in a friend's home," he said. "When they saw it in an unthreatening environment—a person's home—it began to have a lot more meaning to them."

"But I think a lot of the consumer awareness of home computers is being marketing-driven by the manufacturers," warned Mattel's Gary Moscovitz. "We have to be very sensitive to what consumers really want to do with these machines. We want to make sure that the computer is not regarded as the bum of the year next year."

Children are helping to speed the computer age, Atari's Craig Cohen said, since they often are exposed to computers at school and come home saying, "Boy, I really had a chance to do something neat at school today. I played a spelling game, or a math game on the computer. For my birthday, I'd really like to have one of those."

Cohen added that Atari has found parents are willing to spend almost any amount of money if they think it will help their children get ahead. "If they think it will give them an edge, if it will allow them to be in the top of their class, or get into the college of their choice, or whatever it might be.

They're willing to make that kind of investment."

## Finesse will nab sales

"I believe this industry will start to realize the importance of finesse. By that I mean follow through," said Frank Leonardi, director, retail sales development, Apple. "It won't be a matter of muscle by a manufacturer whether he spends \$20 million or \$220 million in advertising. It won't be a matter of muscle whether a manufacturer has five products in the line or 100 products. It will be finesse."

Leonardi points out it's easy to sell a product on an explosive graph—the way the industry has been in the past couple of years. But he believes eventually manufacturers and retailers are going to have to take more time to identify customer types and needs.

Apple is looking at territory expansion now, Leonardi said, the hard way. The company has made an effort to avoid the easiest expansion route—just covering major metropolitan areas—and has targeted those secondary markets 150 miles away. "You still have schools. You still have banks. You still have small businesses. And that's what we want to hit so we've made an effort to go in that direction," he said.

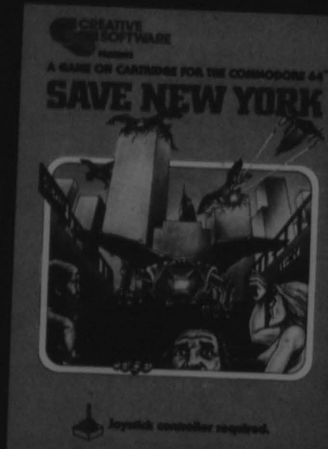
## Prices, margins will drop

Panasonic's Zangrillo predicts increased peripheral competition will lead to lower prices and lower margins. Cassette recorders and modems probably will become very popular items, he suggested.

And, as far as margins go, Mattel's Moscovitz said it's World War III out there right now. "For the consumer it's great," he said. "But the poor retailer is really caught in the middle."

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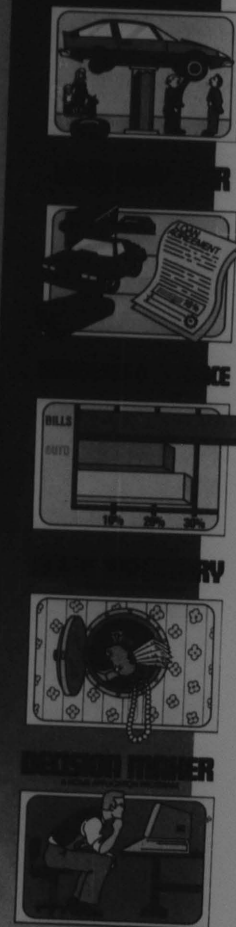


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## MERCHANDISING COMPUTERS

### Amazing margins:

## Computer furniture category earns retailers 40-50% markup

By Deborah Miller, contributing editor  
NEW YORK—For every three home computers sold at your store, two could go out the door accompanied by computer furniture carrying a 40 to 50 percent markup.

And very few sku's are needed to generate these sales since most manufacturers—sensitive to space requirements—have designed compact, modular systems. Two workstations, including a promotional model and step-up design, may be all that's needed to generate add-on sales.

However, to capitalize on the burgeoning computer furniture market, retailers must:

- Display furniture with hardware. Consumers need to see furniture as it will appear in their homes.
- Ask for the order. Salespeople should be trained to ask computer customers where they plan to put their newly purchased hardware.
- Consider developing "package deals" for computer buyers. This could include basic hardware, software and a workstation at a lucrative price. Furniture is "an integral part of a home computer system," noted Bill Schaeffer, vice president, marketing and sales, Bush Industries. Dealers should treat it as part of a complete home computer sale.
- Study furniture features. Most vendors claim furniture holds all home systems; retailers must determine which pieces are most compatible with the computers displayed in their store. Features such as depth of workspace, adjustability and lockable storage space may influence customers.

Unlike other areas of electronics, retailers can count on "relatively stable" pricing in furniture during 1983, vendors told *Merchandising*.

#### Consumer needs furniture

"Probably the most important point I can make is that computer furniture is an integral part of the home computer sale," Bush Industries' Schaeffer said. "The consumer needs it. And if he doesn't perceive that need in the store, he'll certainly perceive it when he gets the equipment home. The retailer can fulfill a need and add to the bottom line."

"It's not that remote a sale," he asserted. "I'm not saying every retailer is going to sell two for three, but it is being done. If there is one category that demands a desk that is properly designed to enhance the equipment, it's the home computer," he said.

"The industry came out of nowhere about 15 months ago. Now the absolute size of market is growing at almost an exponential rate. We're definitely seeing a lot more appliance/electronics dealers getting into computers," Schaeffer expects under-\$500 hardware to rank as the best-selling category for these retailers.

"When selling for home use," he explained, "one important thing is to show consumers how this hi-tech, elaborate product will look in the home." To achieve this, he suggests displaying the keyboard, monitor, software, disk drive and other equipment on the computer furniture.

However, "The most important thing for retailers to do is ask for the order. When you ask 'Where are you

going to put the computer in your home?', you've opened the door for a profitable add-on sale, i.e. furniture."

#### Retail under \$100

Three priorities played important roles in development of Fournier Accessory Furniture, Inc.'s line of computer products. "We did not want any computer furniture in the line to retail over \$100," stated Brad Boucher, vice president, sales. "And now that computer prices are dropping, this figure is that much more logical."

"However, depending on demographics of the area where the store is located, it might be wise for retailers to carry one sku in the \$150 to \$200 range for more affluent customers. The majority of the market is in the lower prices, though," he said.

The second priority was to develop a line that was "instantly identifiable with home computers rather than business," he said. As a result, the line features brass accents to make it more compatible with home decor.

Size was the third important factor. "In most homes you're talking about a limited amount of space," Boucher noted. To date, the best-selling size has been 42 in. wide by 21 in. deep, he reported.

To meet consumer demand, Boucher advises carrying three to seven sku's in computer furniture.

To aid selling efforts, Fournier has created a freestanding easel card and brochures for point-of-sale use. Co-op funds also are available.

#### Offer package deals

By using furniture for computer displays, retailers can sell both hardware and furniture, noted Mike Sheperis, advertising manager, Gusdorf Corp. And dealers may want to consider developing "package deals" for shoppers.

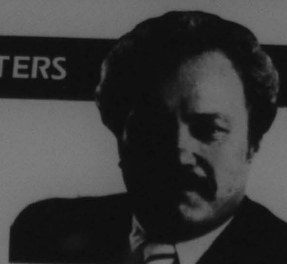
"They can use furniture as a promotional item so that if you buy the entire package, you get dollars off," he said. "This serves to educate consumers. A clever dealer can create a workstation that gives consumers ideas. This means less talking and educating has to be done by the dealer."

If space is available, it helps to display three configurations: 90 degree, U-shaped and straight computer workstations, he advised. "Not all dealers have that kind of room," he noted. As a result, Gusdorf has developed a point-of-sale literature package comprised of wall posters, product stickers, window decals, consumer handouts, ad mats, hang tags and tent cards to help consumers visualize furniture in their homes.

Island displays also tend to be more successful, he continued. "When it's not in an island format, people sometimes think the furniture is just for display," he said.

Furniture priced to sell between \$100 to \$150 also seems to move best, he reported. "People are more apt to buy lower-priced pieces. This may change in the future as they become more sophisticated as computer users. Right now they're looking for something aesthetically pleasing."

The under-\$100 price point is where the bulk of furniture sales will fall, predicted Steve Isaac, sales manager,



UNDER-\$100 PRICE tag is an important selling point for home computer furniture, asserted Brad Boucher, vice president, sales, Fournier Accessory Furniture, Inc.



UPRIGHT STYLING marks newest design in home computer furniture from O'Sullivan Industries. Cabinet that closes "semi-hides" computer hardware while allowing easy access.

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POINT-OF-SALE MATERIALS currently are being offered by vendors in an effort to boost consumer awareness.

Royal Creations, Inc. "At under-\$100, furniture is compatible with the expenditure for hardware," he said. "The key price range is \$69 to \$89. A \$100 bill is a sensitive situation."

"Game storage capability and game playing capability are important configurations to consider," he continued. "The first thing people do is play games. They can modularize the furniture with add-on accessories as they become more sophisticated."

Oak woodgrain furniture is presently the most popular, Isaac noted. "It seems to be more popular than walnut or metal and simulated slate."

"However, I would not include furniture as part of a package," he asserted. "I'd encourage them to show it, but not merchandise it, that way." It has taken audio components many years to reach a point where they can be sold as packages, he added.

#### Offer step-up model

Display is the key factor in selling computer furniture, agreed Tom Riegel, national sales manager, O'Sullivan Industries, Inc.

In selection, Riegel suggests offering an inexpensive and at least one step-up piece of furniture. "Most people who want furniture for their home will buy the step-up model," he reported. "Our best-selling retail price is probably about \$139 to \$149."

Color, too, is important in furniture designed for home use. O'Sullivan has focused on Barton wood vinyl which is a blend of hickory and walnut tones created to fit home decor.



DISPLAY HARDWARE on computer furniture to boost sales and help consumers visualize how products will appear in a home setting, advises Bill Schaeffer, vice president, marketing and sales, Bush Industries. New Bush desk and hutch are shown.



OFFER PACKAGE DEALS including hardware and accompanying piece of furniture, suggests Mike Sheperis, advertising manager, Gusdorf Corp. Pictured is Gusdorf's new model 1695.

## First-time retailers query 'What can my vendor do for me?'

(Continued from page 46)

Also offering retailer support in the form of manuals and books as well as video training tapes for sales staff and for consumers is Panasonic. Bob Zangrillo, Panasonic's national sales manager, thinks the company's 12- to 15-minute tape explaining computer buzzwords might be especially helpful to dealers.

"Today, when a consumer walks into a store looking for a computer, it's the same situation as in audio 10 years ago," Zangrillo said. "There's a power war going on. He'll probably ask 'What's its RAM size?' without even knowing what RAM really is." Panasonic hopes to help dealers educate people with this tape and via other seminars.

Software supplier Quick Brown Fox also is working on new packaging prototypes, said Ed Moran, director of marketing. Packaging sizes will be reduced from nine- by 12-in. boxes, with standardization in mind.

Designed to help mass merchant-type retailers, demo disks from Synapse run versions of the software supplier's 11 games. "We also offer charts with flip cards and posters and are looking at counter racks, new release banners for software packages and new screen rendition art on our boxes," Jon Loveless, vice president of marketing, told *Merchandising*.

### Atari beefs up support

Reflecting what many believe to be a merging of the computer and the videogame categories, Atari has combined its field support staffs for the home computer division with that of the consumer electronics division (which markets the videogames) under the direction of Craig Cohen, director of field merchandising.

This gives the company between 130 and 150 field people who, according to Cohen, "are available to do in-store work, to make sure the displays are looking good, to keep the salespeople trained and knowledgeable, to assist the dealers in working on promotions and to hold seminars." Representatives can be found in every metropolitan area and many secondary markets.

Members of this field support staff are available to help retailers from the minute they decide to start marketing Atari computers.

When a new department is kicked off, Atari encourages the retailer to throw a grand opening event, which the field representatives will help staff. They will work other special events as well. "We actually encourage our people to make retail sales for the dealers while they're in the store," said Cohen. "It's part of their job description."

Another Atari service is the educational sales department which helps retailers sell to schools.

Other support services from Atari include Watts lines into the company, approximately 36, which operate from 6 a.m. to 6 p.m. Pacific time. They will field questions on hardware and software.

Year-long service contracts are available for \$45 for the Atari 400 and \$120 for the 800. The price is still to be announced for the 1200 XL. Products can be serviced at more than 1,000 authorized, trained dealers. Repairmen are given a 2½-day course before they are authorized and must attend half-day brush-up sessions every few months.

Over the past few years, Apple

Computer has broadened its retail base to include dealers other than the computer specialty shops. While it's still not exactly easy to become an Apple dealer, those who are chosen can expect to get a strong retail support program.

Frank Leonardi, director of retail sales development, explained that the most important factor for a prospective Apple dealer is his business acumen.

Apple dealers can turn to the company for all kinds of support. For example, the company will help them set up a department step by step. Flipping through a large notebook put

together especially for department stores, Leonardi pointed to a three-stage program leading from planning through detailing to execution.

Once the Apple dealer is ready to go, the company will help to train the retail sales force. "We have had our rep companies hire special training people who go around to the dealers and do nothing but train the salespeople on the floor," Leonardi noted. "In that way, we make sure that every end user, the customer, is supported by the company."

### Newsletters educate retailers

Retailers also get bi-weekly mailing

from Apple describing new products, software compatibility, new programs, pricing and other data. Leonardi described one that answers potential questions customers will ask, such as: Can I trade in my old computer? "Another," he said, "may tell about the last chance to order a certain product, new enhancements, financial assistance programs. It also gives them their price sheet and talks about promotions that are going on. This is the type of information we want our dealers to be tuned into."

Apple will help dealers set up financial assistance programs with

(Continued on page 61)

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## MERCHANDISING COMPUTERS

### Schaak Digital Dens introduce computers to mall customers

(Continued from page 41)  
around the 26 to 27 percent level in the Digital Dens. Seventy percent of Digital Dens have been hardware, 30 percent software.

The Digital Den product line includes Texas Instruments 99/4A, TI Professional, Epson, Osborne, Atari 400/800 and Timex. Denver stores carry the Franklin Ace. "A customer can come in and purchase a \$69 Timex on up to a \$6,000 TI professional system," Schaak said. He's reported

a lot less customer sensitivity to higher-priced computers as they become familiar with system capabilities.

#### Mall is prime arena

The shopping center customer is the market Schaak Electronics always has targeted, Dick Schaak said. "We've found that this customer spends one third of all of his or her time in a mall. It's a lifestyle for them and they will spend a day there. The kids will go to the movie, the parents will shop. It actually is a security blanket for an intimidated shopper."

In line with that theory, almost all Schaak stores are located in malls in its six-market area of Minnesota, Michigan, Wisconsin, Illinois, North Dakota and Colorado. Placing the Digital Dens within the Schaak stores is a further way of dealing with the intimidated customer, Schaak said. "Sixty-five percent of the customers we sell computers to come in for something else. People feel very comfortable going into an audio store. They weren't five years ago but now are because it's a known commodity.

**HIGH-VISIBILITY SOFTWARE DISPLAY** is being manned by Digital Den manager Jim Bailey. (left). Glass sliding doors can separate section from rest of store (inset).

### Schaak opens licensed Computer Academy

**ST. PAUL**—Schaak Electronics does everything in a big way. Fully realizing the computer age is upon us, the company not only began moving the Digital Dens into 50 percent of each store's space, it decided to try training all those people who have computers (and Schaak Electronics is their future, Velle Schaak's Computer Academy).

It is a serious effort, it's because it is. And it's only one of several computer schools Schaak has planned. The first opened in February in the Minneapolis mall and is a licensed school manned by licensed teachers. The second Academy is slated for another mall location in another Minneapolis-St. Paul suburb in late summer.

While describing the Academy's beginnings, Schaak president Dick Schaak told of the 44 phones that seemed to reach computer classes in his area a few months ago. The calls came down 40 of them, he said, and now demands that teachers and schools be licensed. "The last part is every manufacturer says dealers to have classrooms within the store," Schaak said. "The school that happened in our store will happen elsewhere and these in-store training schools will be closed," Schaak previously had thought about in-store training rooms but decided, besides raising the risk of not being legal, trying to guarantee consistency and quality of teaching at a large number of store locations would be impossible, he said.

#### One-on-one or group training

The Schaak Academy had 100 students during its first month of operation, according to Terry Lydell, manager and coordinator of Schaak Computer Academies. "Individuals can buy class time, spend training time in computer use that's a whole team for instruction," Lydell explained. "These different facilities are provided because the Academy is designed to offer different facilities and class sizes."

Based on a small classroom, the most visible part of the operation is its 400 sq. ft. room. Herein lies the heart of Terry Lydell's Academy. Apple, Atari, Epson, Osborne and TI computers can be rented out by the hour, daily, half day or day, Lydell explained. "People use these machines to test

the products and determine which machine they like best, prior to purchase. Or, out-of-house without access to their own machine will rent our computers to do their work. We think there'll be more and more of a market for that, too," he said.

Weekly, a computer/office counter-type area is manned by four administrative assistants who can answer questions, and make sure the Academy runs smoothly. A Texas Instruments Pro computer is used at the Academy for teaching all students and keeps all more experienced users busy there up to date. In addition, all full and part-time instructors are kept on the computer and their data will be used interactively with other Schaak Academies also on the TI Lydell said.

Schaak said the Academy, a small school private computer school can be opened for private consulting use. Lydell said the school was used most often for one-on-one training done by experienced users to assist on an hourly or daily basis. He noted that the Academy's teachers also act as consultants.

A small classroom can accommodate 10 students and a larger room can hold 20 people and machines. In the larger room, a large-screen monitor is devoted to be hooked up to the computer on the instructor who shows the class what they should be seeing and doing on their system.

Schaak's full range of instruction spans from introductory courses in specific systems, general instruction in the field of computers to LANs (language for area and network) to word processing programs. More than 20 courses are offered, he said. Lydell said.

#### Employees trained, too

"Absolutely no selling is done at the Academy," Lydell said, and it operates as a separate profit center from the Schaak Electronics store. In fact, when money and employees are so trained at the Academy, each store of the store must pay the Academy for its services.

An 800-855-8585 number is used for Schaak's Digital Dens which technically belong to the Academy, as well as to Schaak's other businesses. These employees were trained out of Schaak's Academy in the first place. Employees working in other areas of the store who'd like to switch over to the Digital Den computer department can attend a training course for the week but only during non-peak times, Dick Schaak said. If and when they complete the required course, they are transferred, he added.

Class prices range from \$10 for the weekend long course for \$100 for a 10-hour course in the application of Microsoft word processing programs. Continuing costs \$20 an hour and includes the rental of computers and software, which using the 100. The training course, designed for the person who wants to learn to be a good person of time, is offered at \$75 an hour, half day or full day or 100 a day.

One of the most popular courses is the Microsoft Word course. A Microsoft Word course can be taken in just one day or a two-day course. The price is \$75 an hour, half day or full day or 100 a day. The course is a 100 a day or 100 a day.

#### Designed for profit education

The Academy opens a door and goes there aimed at creating a professional atmosphere around the computer. "We wanted to make the computer more of a part of the store and not just a computer department," he said. "The Academy is designed to be a place where you can go and learn to use the computer and not just a computer department."



Schaak's Computer Academy

**FOUR DIFFERENT TRAINING ACTIVITIES** can occur at each of Schaak's Academies under the direction of manager and coordinator Terry Lydell (right). A second Academy is scheduled to open this summer in Minneapolis.



With the store-within-a-store concept, that person can sneak over and take a look at the computers without having to visit a frightening specialty store. To help them along, our salespeople avoid the hard sell and will spend a lot of time explaining computers," he said.

#### Each Den is different

Each Digital Den now in place looks a little different from the next one because Schaak doesn't cookie cut its stores, Schaak said. Layout of future stores will depend on the store configuration but will be based loosely on the same glassed store-within-a-store concept, will carry similar product lines and use the same advertising and Schaak orange color scheme. The Den's glassed enclosure and sliding doors come in handy when an excited audio customer hikes the volume on his next stereo purchase, according to Jim Bailey, Digital Den manager at the Maplewood mall location.

Bailey proudly took *Merchandising* on a tour of his computer lair. Once past the sliding glass doors, several work stations—some in home-like lifestyle settings—confront the customer. To the right is a glassed counter holding peripherals. Rows and rows of software hang on slatboard behind it.

Bailey's Digital Den's selection of software includes TI, On Line, Atari, Odesta, Roklan, The Learning Co., DataSoft, MicroFun, Penguin, Spinner, SierraVision, Quality Software, Synapse, Gebelli, Sir Tech, Thorn EMI, Adventure International, CBS Software, Apple, Broderbund, Microsoft and InfoCom, among others. The software is displayed by brand and also by type: utility, business, educational and games.

Peripherals on display include modems, disk/diskette filing and storage systems, interfaces, joystick/controllers, tape recorders and other supplies. Soft-spoken salespeople were noticeably handy but seemed to pretty much leave the semi-knowledgeable customer, who wanted to fiddle with a computer, alone.

Bailey said The Digital Den's selection is based on what's hot according to sales analysis and what computer magazines say. In a test marketing arrangement, SKU distributors are rack jobbing Schaak's hot 20 software titles for them. "They come in once a week to look over the selection," Bailey said. "They fill orders two times a week."

Rack jobbing is a distribution concept CEO Dick Schaak is enthusiastic about. "For the number of stores we have and our setup, rack jobbing is ideal," he said. "We're looking into further rack jobbing relationships."

Before the move into Schaak Electronics, freestanding Digital Dens were about one-third computers and two-thirds telephones and sophisticated video and high-end audio equipment, Schaak said. The computer segment contributed 85 percent of the Digital Dens' sales. Of the seven freestanding Digital Dens in existence, a few will be closed or merged with nearby Schaak stores, a few will remain, Schaak said. The only thing slowing the rollout of the Digital Dens at this point, he said, is the time it takes to professionally train the salespeople.

#### Staff is professionally trained

As Digital Dens set up in Schaaks across the country, salespeople for the computer department are selected from among existing Schaak employees or are hired specifically to man the Digital Dens. Computer personnel don't sell audio and audio salespeople can't sell computers,

Schaak pointed out, without the proper training.

Digital Den training includes traditional Schaak sales orientation and intensive courses at Schaak's Computer Academy (See related story, page 56). "Selling computers is more of a teaching function than a pizzazz selling job," Schaak said. "Computer salespeople are more analytical. We've had especially good luck hiring people who've worked in the school system."

#### Advertising focus changes

While initial Digital Den advertising was institutional in style, Schaak now is going the complete system route. (One ad recently touted only Apple equipment, another featured all peripherals.) Digital Den advertising is kept separate from Schaak Electronics advertising. Full-page Digital Den newspaper ads are placed

in the Sunday business sections of local newspapers each week. Dick Schaak quotes or customer testimonials often are featured, and financing (Schaak has its own subsidiary that does financing), not price, is pushed.

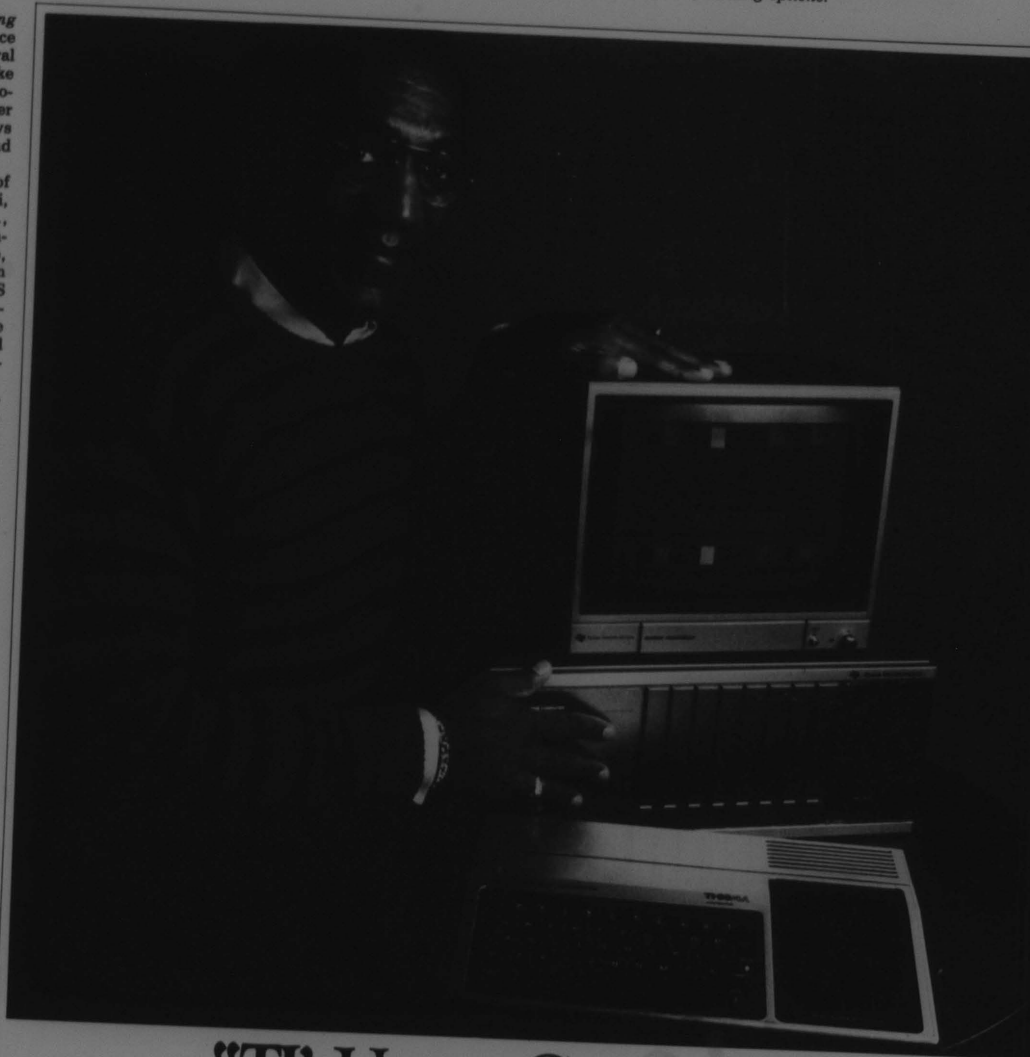
The Digital Den store-within-a-store arrangement divides the store hierarchy into two segments. A store manager presides over an assistant manager of computer products and an assistant manager of audio products. Several salespeople are divided into the audio and computer camps and a technician specialist also is on the premises at all times.

Schaak honors manufacturer warranties and offers an overall Schaak warranty called the three R's (Return, Refund, Repair), Schaak said. "We'll do any of the three R's. Sometimes we have to take back a unit and give the customer our own and then fight it out with the manufacturer, but we'll do

it." Schaak also does office visits via its fully-equipped van and full-time computer technician. The customer is charged for an office visit and charged for service beyond the warranty.



DIGITAL DEN ADVERTISING emphasizes total computer systems, customer or Dick Schaak testimonials and financing options.



## "TI's Home Computer. This is the one."

You read the reports. You know that home computer sales will go through the roof again this year. Which one should you stock? This one: the Texas Instruments Home Computer.

It's the one with the most for your customers and the most for you. Start with consumer awareness. Our Bill Cosby TV commercials run often—and effectively. Our well-designed store displays and sales literature tell a convincing story, and strongly support TI's

network of knowledgeable in-store demonstrators.

Our computer itself has the balance of technical capabilities and convenience features your customers want. For instance, the TI Home Computer comes with TI BASIC, but is capable of handling five other programming languages: TI Extended BASIC, TI LOGO II, TI PILOT, UCSD Pascal\* and TMS 9900 Assembly Language. Plus, we offer one of the industry's biggest software selections, with

dozens of programs in education, home management and entertainment. And all that versatility means more profitability.

This year the home computer market can be yours, with the computer that's sweeping the market. The TI Home Computer. This is the one.

**TEXAS  
INSTRUMENTS**

© 1982 Texas Instruments

# Software distributors aim to put novice retailers in the know

(Continued from page 41)

third-party software vendors makes buying risky for the retailer new to the computer business, software distributors told *Merchandising*.

Basic retailing principles—targeting titles, minimizing inventory while maximizing turns, pricing for maximum profit margin, merchandising product as shelf items and gauging support to customer expectations—may not be enough to get the novice retailer in shape for this year's first true computer software Christmas. For resale of product, inventory selection, stock balancing, product evaluation and technical support, many computer neophytes are turning to the growing number of third-party software distributors—at least to help them initially get in the know. Distributors also offer rack servicing, co-op advertising, high-demand title spotlight and merchandising aids.

## Enter market now!

Until recently, software sales were left to the specialty stores or software-only stores. But as computers catch on in broader, more general customer

bases, consumers are following established traffic patterns, shopping in non-specialty stores where it is most comfortable and convenient.

"In 1982, the bulk of sales were in the specialty stores, but the run rate for the first three months of 1983 started to go into the mass merchandisers," said Donald D. Kingsborough, president, SKU, Berkeley, CA. "It's easy to understand why. With an eight to 18 percent profit margin on hardware and a 35 to 45 percent margin on software, a retailer can average a high 20 percent profit for the entire department."

"In 1983, we expect both hardware and software sales to increase 400 percent with a larger segment of the sales going to the mass merchandiser," said Chris Daly, vice president, Software Distributors, Culver City, CA. "We predict that by 1985, software alone will climb to \$5 billion in sales."

The new computer retailer will not be competing head-on with specialty stores but will be targeting beginning computerists working their way up from the videogame. However, they

will be building an installed base that will evolve into the specialists' territory.

"1983 will be the first computer software Christmas," Kingsborough said. "If the mass merchant wants to share in the profits he has to get in now. It takes 90 to 120 days to get a real feel for the market and to gain the experience needed to solve operational problems. October entry will be too late."

## Choose proven titles

Mass merchants and others new to computer retailing should concentrate on simple entertainment, educational and home utility software for the low-end computers such as the Atari 400/800, Commodore VIC 20, Texas Instruments 99/4A and Timex Sinclair 1000, distributors advised. Neophytes should be followers not innovators and stick with a select number of titles that have been proven in the field.

"We suggest they look to book stores for their mix, because software is the literature of computers," said Robert Leff, president, Softsel, Ingle-

wood, CA. "Seventy-five percent of the titles sold at book stores are entertainment. We feel that's a good target for the non-specialty retailer."

Kingsborough agreed: "For the first 120 days, we recommend 65 percent entertainment, the hottest titles. Once the consumer overcomes his fear of computers, we've found the entertainment will go down and education/home utility/business goes up. Initially, they should carry software to support the hardware they carry, but after they are an established software outlet, they can test product for other CPUs."

"A package with one or two pages of instructions, like an arcade game, needs little support and can be handled by the mass merchant," suggested Lorraine Mecca, president, Micro D, Fountain Valley, CA. "When it gets into a manual, the product needs additional support."

According to Robert Shapiro, executive vice president, marketing, MicroSoft International, Randolph, MA, within the past year the industry has managed to place the computer on "the same level as the toaster."

## The distribution dilemma:

# Should retailers buy direct, use rack jobbers or distributors?

By Deborah Cromer, contributing ed.  
LOS ANGELES—Novice retailers looking for help in the computer software business can get some relief from nationwide distributors and rack jobbers, according to software publishers polled by *Merchandising*.

Both jobbers and distributors can determine what titles are hot and which are not and can help the retailer create a profitable price mix, avoid over- or under-stocking situations and keep his software visible yet secure. Many also recommended that once a merchant is ordering larger quantities of software and has some computer savvy, he should consider buying direct. Specific advice follows:

**Douglas Bate,**  
marketing manager,  
personal computers,  
Parker Bros., Beverly, MA

The market is so new that the patterns of consumer purchasing have not fully evolved to the point where a small store owner can pinpoint the right buy for himself. I suggest a retailer with a three-store operation start with a rack jobber who controls the software space on the floor until the market evolves. Rack jobbers can use the experience of multiple accounts to determine the most profitable mix. The price break they might get by going direct is not there yet; although it may be in the future. Besides, I would think the risks are much greater in direct buying.

Mass merchants are not going to buy direct; they are going to talk to distributors who understand software. They won't want to deal with rack jobbers from the toy and record side, because they want to deal with software specialists. Distribution is the key that will help merchandise retailers carve a merchandising niche.

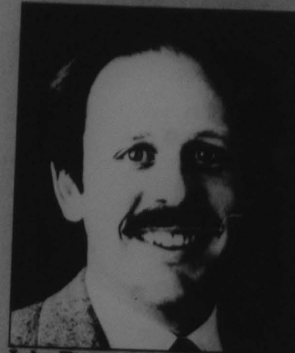


**Richard S. Sunderland,**  
Executive vice president,  
Sierra On-Line Inc.,  
Coarsegold, CA



**Sue Currier, president,**  
Softsync, Inc.,  
New York, NY

The software sales through the mass merchant is a function of shelf appeal. It will be critically important to know what will sell. With the multiplicity of product in the market that can be tough. I recommend retailers not go full bore until they understand the software. In the beginning, they ought to go with a distributor or rack jobber, who gives value-added service. Once they are acclimated, they may want to do direct business.



**John Reese, president,**  
Tronix Publishing, Inc.,  
Inglewood, CA



But there's still an element of fear to overcome, he pointed out. Therefore, MicroSoft suggested the neophyte allocate 20 percent of his software mix to educational/tutorial programs designed to show people how to use their machines. For instance, selling a VIC 20 PAK along with every VIC 20 gives the customer the education he or she needs and puts the margin back into the sale, Shapiro said.

#### Minimize inventory

For retailers still reeling from the videogame debacle of late 1982, the breadth and depth of the stock should be approached cautiously.

"New retailers should seek to keep inventory lean, minimizing their sku's and maximizing their turns," Shapiro said. "With changes coming so fast, that's the only way they will be able to protect themselves."

The Softsel approach is to bring the non-traditional computer retailer along slowly, letting the inventory evolve as the retailer learns more about the market and his software customer.

"Initially we might suggest a test mode with 30 to 50 titles for two hardware units," Leff said. "The mix of the software will be keyed to the hardware sales. If they sell 60 percent Atari to 40 percent TI, then the software will reflect that ratio."

Software Distributor's Daly cautions neophytes not to overbuy: "The

mass merchant should try to turn inventory once a month by ordering \$300 to \$500 per week. On a \$15,000 to \$20,000 investment, we recommend 15 percent or \$3,000 go to fast-turning game software. The number of sku's per machine will depend on how fast the retailer sells them."

Mecca recommends 50 to 60 titles at an average four pieces depth for maximum 200 pieces per console. A market study conducted by Micro D in fourth-quarter 1982, showed this \$4,000 investment could turn six times each year at a 28 to 38 percent profit margin. Annual sales were \$20,000 minimum up to \$50,000 maximum.

Many of the third-party distributors offer 100 percent stock balancing on mixes they recommend. However, retailers who develop their own mix must accept the inventory risk because, as yet, return policies differ in this embryonic industry.

"Inventory control is critical," Daly said. "This is not like the book or record industry where you send the jacket back if the product doesn't sell. There are no standard return policies as yet, but I'm sure that there will be in the next couple of years."

#### Price for profit

The attraction of software is its high profit margin which merchants should try to preserve. At this point, discounting is a needless move, distrib-

utors stressed. "Software is still a commodity, so there is no need to play price football," Daly said. "It is the responsibility of the software publisher to cut retail price points, not the retailer. The retailer should do everything he can to preserve that 40 to 45 percent margin."

Today, software falls in the \$30 to \$50 range, but prices are expected to drop within the next one and one-half years. A gaming title at \$34.95 today could drop to \$19.95 within the next 18 months.

"Cartridges won't drop much farther, but once we see a disk drive drop under \$100, we'll see the price drop to the \$15 range," Mecca said. "However, that's still several years away."

As a shelf item, software relies on display to keep the dust off the package and maximize the inventory turns. The display inherently has two major problems: compatibility and format.

Though a program has the same title, the package will not be compatible with all home computers. In fact, none of the present processing units on the low-level microcomputers are compatible; therefore, the software is not interchangeable. Distributors recommended that displays be separated by the hardware it matches to avoid confusion.

"One major problem in selling software is that there is so little sales

training in most of the stores," Shapiro said. "As a result, software must be positioned as an impulse purchase. It must be racked where the customer can see it in colorful packaging that grabs the eye."

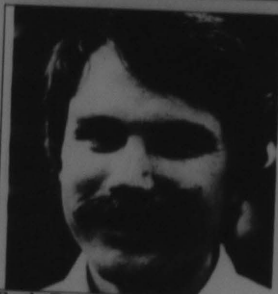
The distributors interviewed by *Merchandising* fell into two camps when it came to the effectiveness of displays: locked cabinets to minimize shrinkage versus accessible, touchable floor displays to enhance the sale.

"Standing packages on lucite shelves looks better than hangers," Daly said. "Locked cabinets make sense, because of the theft problem; although the retailer will sell more product if it's not behind glass."

Kingsborough expressed a slightly different view: "You can't sell software from behind a locked counter. You have to build a display that allows the consumers to touch and browse, yet is theft-proof."

The accessible display is not totally without security precautions. Protection sealing is designed to inhibit the thief from taking the small product out of the larger, harder-to-conceal point-of-purchase packaging. Another approach is to display empty boxes on the selling floor, with directions to counter sales help for the actual purchase.

"Our radio frequency seal has reduced shrinkage one-third from regular J-hooking," Kingsborough said. (Continued on page 60)



**Ernie Brock,**  
product manager,  
Sirius Software,  
Sacramento, CA

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The country is being carved into marketing niches; therefore, the locality will determine the best distribution channel. The retailer should find out what type of distribution—local, national or rack jobber—provides the strongest support in his area.

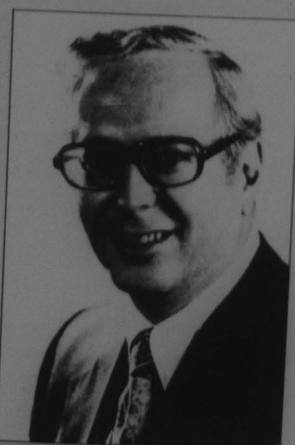
I see an increasing trend toward a manufacturer's representative network. We already use our manufacturer reps to deal directly with the retailers, while writing the order through distributors. We feel some distributors don't have the retailers' best interests at heart. They tend to push overstocked titles and ones with the largest margin, not necessarily the titles with the highest public demand. I suspect a lot of buyers who don't know the marketplace will have a rack jobber come to reduce the risk. Then, if the rack jobber can't offer the margin, I think the retailers will use them for a short time to educate themselves and then look to buying direct for a higher margin.

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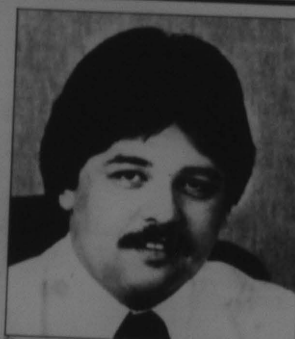
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Though the retailer can take advantage of a larger profit margin by buying direct, then he has to deal with the confusion of 10 to 15 different major software publishers. I recommend a beginner work with a distributor who can offer services such as taking returns on non-movers without a fuss and identifying what's hot and what's not. A rack jobber also can limit the risk for a retailer just getting into software. Down the road if the numbers increase significantly, then the mass merchant can go direct.

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**Ed Auer,**  
general manager,  
CBS Software,  
New York, NY



**Patrick Ketchum, president,**  
DataSoft, Inc.,  
Chatsworth, CA

“

Mass merchants are leery of software, because they have been burned by videogames. With the variety of computer software in multiple formats, there is a general apprehension as to what to buy and what to pay for it. One way to keep a low profile yet be in the business until after the shakeout is to go with a national distributor who can provide knowledge of product. It can take the risk from the shoulders of the buyers. The disadvantage of the national distributor is its inability to service on a timely basis. Despite blue-label service, there is a problem with out-of-stocks.

Rack jobbing is almost a concession. The retailer is literally 'renting' space in his store to the rack jobber, but he won't enjoy the same return as if he took the inventory risk himself. If the mass merchant is using the software to build traffic for other product, the rack jobbing approach is advisable.

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Manufacturers' representatives will play an increasingly important role as distribution of software expands. Distributors will continue to function, positioning the retailers. However, as the industry becomes more sophisticated and experienced, retailers will want to buy direct. With the industry as volatile as it is, we will continue to work with both channels, because we are not willing to tie ourselves to any one distribution channel.

Distributors will continue to support computer specialty stores, but the reps will expand the mass merchants for us.

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**Dean Marion,**  
director of marketing,  
Datamost,  
Chatsworth, CA

(Continued on page 60)

## MERCHANDISING COMPUTERS



### Software distributors:

**Their goal is to help retailers avoid buying perils**

(Continued from page 59)

**SOFTWARE DISTRIBUTORS WHO HELPED MERCHANDISING** compile advice for the beginning computer retailer are (from left to right): Robert Shapiro, executive vice president, marketing, MicroSoft International; Lorraine Mecca, president, Micro D; Robert Leff, president, Softsel; Donald Kingsborough, president, SKU; and Chris Daly, vice president, Software Distributors.

Service Software, a division of Micro D, offers a lockable bookshelf with glass doors which holds 200 pieces in four linear feet for the security minded. Ultrasonic bubble packages on J-hooks can display the same number of units in eight linear feet at 54 inches or six linear feet at 72 inches.

In the mass merchant environment, minimal demonstration at point of sale has served the retailer well; however the "easier the sale the better" philosophy may break down when it comes to software. Arcade games with high "kid" identification will sell themselves, but less familiar

titles may need an extra push.

In-store information centers with interactive video formats are being introduced to the mass merchant market. These units free personnel to close sales while providing browsers and computer novices with personalized attention.

#### Give customers support

Non-specialty retailers will need some knowledge of games, educational and home utility packages in order to meet consumer needs, but don't have to speak "computerese" as do those selling higher-level business software. If the sales personnel

are versed enough to sell the hardware, then they should be able to handle software support.

"As long as the retailer stays in the low-end entertainment and educational product, a 10-minute introduction on package compatibility should be enough," Daly said.

"The degree of support will depend on what the customer normally expects from that retailer," Mecca said. "At an appliance store, consumers will expect the same level of support they get when they come in to buy a television. The level of training and support will correlate to the merchandising approach."

The burgeoning software market (today there is an estimated 4,000 packages available from 143 vendors) combined with an expected fallout in the third party software vendor market during 1983 makes buying risky.

#### Rack jobbing is popular

"Racking is the only way to be in-stock in a wide range of product while avoiding an overstock/out-of-stock situation," Mecca said.

"Through our rack servicing program, we make it possible for the mass merchant to offer his customers a wide variety of software, accessories and peripherals for the home computer while still retaining absolute control of his inventory investment, store by store."

Micro D's separate division, Service Software, provides three-tiered service: rack servicing, special order on non-stocked titles and spotlight program for high-demand titles.

Softsel contracts with Pickwick Rack Service to provide in-store support and merchandising service to mass merchant outlets. "The service will appeal to general retailers who already work with rack services in stocking such consumer products as cosmetics, hardware, paperback books, record albums and prerecorded music," Leff said. "These retailers now have to deal with computer software, a whole new set of product with which they have limited experience."

For them, this service is critical, because it gives aid in deciding what product to reorder, how to rotate and arrange stock."

Patterned after L'eggs' pantyhose concept, SKU uses a fleet of vans, stocked with merchandise, to refresh retailers. To date, the service is only offered in limited locations, but plans call for expansion of the program.

"Using a veritable warehouse on wheels, we can select and stock a product mix, appropriate to each store," Kingsborough said. "Van drivers serve as field merchandisers by stocking shelves, developing and cleaning displays, taking inventory and providing manufacturer literature."

Daly reports that Software Distributors currently is researching customized racks for their customers.

One of the most persuasive factors in favor of the rack servicing option is 100 percent stock balancing. If the distributor/rack jobber recommends the mix and sku's, the retailer is relieved from inventory risk.

Most distributors who spoke with Merchandising offer a combined co-op advertising allowance ranging from three to four percent. This collective pooling of co-op eliminates the headache of earning multiple small amounts and of keeping track of different program requirements.

"We will be offering co-op funds and will have ad slicks for retailers," Shapiro said. "They'll be able to drop in their own logo and produce a professional looking ad that's ready to use. We're trying to make it easy for the retailers, because that's what's needed today."

Computer software is analogous to the record industry in that it is governed by the "hit" syndrome. The key to maximizing profits in this environment with no brand loyalty is knowing when to get in and out. Third party distributors are providing lists of "hot" titles on a weekly and monthly basis to aid retailers in planning future purchases and guiding consumers through p...s displays.

### The distribution dilemma:

## Should retailers buy direct, use rack jobbers or distributors?

(Continued from page 59)

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The computer software industry is analogous to the record industry. Instead of rock 'n' roll, classical and jazz, we have entertainment, education and personal business. Trying to stock titles for three to four computer units becomes mind boggling. Even a retailer the caliber of a K mart will become aggravated dealing direct with that number of sku's. Only a distributor can stock-adjust the entire line of third party software as well as secure a large pool of co-op dollars to be used enmass for the mass merchant.

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**Elliott Dahan,**  
director of marketing,  
Creative Software,  
Mountain View, CA



# Vendors provide training, P-O-P, technical support

(Continued from page 55)

floorplanning companies and other credit sources. In addition, Leonard said, they are encouraged not to load up on product. "We give them the security so that they don't have to buy for four, five, 10 or 12 weeks at a time. We want them to buy only what they can pay for in two or three weeks. Our credo is to always have product available so the dealers don't have to second guess the company."

As for existing dealers, they can expect to be prepared for Apple's entry into new areas with products such as the Lisa. "There are a lot of new things coming," said Leonard, "a lot of new ideas."

## Sirius intros comic-book p-o-p

Sirius Software has upgraded its packaging and put together eye-catching comic-book style advertising in efforts to help dealers stimulate sales. The comic-book ads describe the Sirius line of computer games, Jerry Jewell, president, said. "Then we reduced these ads and put them together into a comic book with 30 or 40 comic strips in it and use it as a point-of-purchase material. We've tried every other kind of display but this is a different approach," he said.

A free display unit is being offered to dealers from General Consumer Electronics, makers of Vectrex. The unit is a slightly less stable model of the display now being sold to dealers, reported Hope Neiman, director of marketing. This summer, GCE also has several product introductions planned, including a keyboard and adaptor which converts the stand-alone game into a computer. Also to be released in 1983 is a light pen, a series of computer cartridges in addition to other games, a stringy floppy and a 3D/color imager which converts the black and white system to color. Coming in 1984 will be a GCE Vectrex printer, modem and disk drive.

## Intellivision revisited

Retailers who have been handling Intellivision strictly as a videogame are going to have to make some changes this year as Mattel Electronics realigns the product. What will emerge, according to Gary Moskovitz, marketing director, is something called an "entertainment computer system."

Key to the system will be the Intellivision base—either ones that have been marketed since the product's debut (although they will re-

quire some modification), the new Intellivision II or the soon-to-be-released Intellivision III. A wide range of peripherals is being created to complement these master components. They will fall in the game, computer and music areas, each with its own software.

Game peripherals will include the voice synthesis module, a system changer that allows Atari VCS cartridges to be played on the system, and a joystick controller. This system will be capable of playing all existing Intellivision software (plus Atari titles, with the changer).

Computer peripherals will consist of a computer adapter, a keyboard and a program expander. All together, these units will turn the Intellivision into a 64K system.

Also available will be a music synthesizer, a 49-key, full-sized keyboard.

Software for the computer end of the system is divided into the subcategories of supergames, education, BASIC programming and music.

Retailer support for the system will be extensive, both in ways that are obvious and those not so apparent. For example, "We're talking about a lot of sku's here," Moskovitz admitted. "So we'll help the dealers out by minimizing the size of the packaging, not packing in a lot of air. This will hold down shelf requirements."

A direct mail campaign will be launched to introduce the new peripherals to existing Intellivision owners. Software catalogs will be packed with each title. A national print and broadcast ad campaign (which will mark a creative departure from past campaigns) will also be used to attract potential customers.

Once in the store, they will meet Mattel demonstrators who will be on the job for four to eight weeks after the product's debut, plus well-trained store personnel who have been educated by Mattel and armed with plenty of brochures describing the new Intellivision.

## Mattel introduces Aquarius

Also introducing its first home computer, the Aquarius, this spring, Mattel Electronics is striving to give retailers a system that should attract consumers by being both affordable and easy to understand.

William Gillis, vice president, home computer systems, explained that an Aquarius system consisting of the console, a thermal printer, a mini-

expander with hand controllers and a cassette data recorder will retail for less than \$500. All of these products are available now as are 4K and 16K memory expansion cartridges.

To be added later this year are other peripherals. These include a master expander module to allow the addition of up to eight more peripherals, a direct-connect telephone modem and a disk drive system.

All will be packaged separately, in order to give retailers the ability to create their own systems. "Dealers can mix and match," said Gillis. "For instance, a retailer could take the console, the mini-expander and a 16K cartridge and create a 20K system that plays games extremely well. Or, he could take the console, the printer and our word processing software and create a word processing sku. He can tailor it to the needs of the end customer and also avoid the head-to-head price competition that's going on with some of the other computers."

Six to eight software titles are being shipped initially and another three or four are set to be released monthly.

Mattel is highlighting the simplicity of the Aquarius as well as its versatility in the hardware department. "Customers can hook up the computer and complete their first program within 30 minutes," Gillis said. "We want to put their mind at ease right away and give them some almost instant gratification after they get the computer home."

Instructional materials have been kept as simple as possible. Although customers will receive a 210-page book, they will also be given a set of simplified instructions in a flip-card format. "It stands next to the console and walks consumers through how to hook it up," said Gillis. "Then it takes them step by step through their

first program—instant gratification." Customers will be able to subscribe to a quarterly newsletter that will serve to create a dialogue between Aquarius owners and the experts who designed it. For more immediate communication, an 800 number will link them directly to Mattel.

To make sure that its dealers understand the product, Mattel is gathering them for training sessions in key cities across the country this spring. They will return to their stores with a number of training and sales guides. One, a large manual that will be updated quarterly, should be able to answer all questions about the Aquarius. A product guide for on-floor reference will be furnished to retailers as will a pocket-sized pamphlet that answers questions asked most often by customers. Sales training tapes will also be furnished.

For display purposes, retailers will have access to a live, 80-in.-high floor merchandiser that gives customers the chance to use the Aquarius and its peripherals. A countertop version is also available.

Mattel is launching the Aquarius with what Gillis called "the heaviest advertising program that the company has ever had behind any product in its first year of existence." The campaign started in April in Los Angeles and Chicago, where the computer took its first bows, and will be rolled out market by market through the spring, as will the computer.

A large magazine campaign will accompany the television schedule.

Retailers will be given a kit to allow them to tie in with the national ad program. Materials will be available for print, radio and TV. "We're offering retailers co-op dollars even before they've earned them," said Gillis. "They place the ads, we pay."

## Software catalog minimizes inventory risk

CUPERTINO, CA—Retailers looking to enter the computer software marketplace with little inventory risk may find a full-color catalog a viable alternative.

With one million copies targeted for the first run, a catalog featuring 250 to 300 titles representing 2,500 sku's for Apple, Atari, Commodore, Texas Instruments and IBM microcomputers is being published by MicroFun Distributors here.

"The catalog will be the main thrust for the average dealer to sell fun software to the user," said Sam Bernstein, MicroFun president. "The dealer will be able to display the catalog at point of sale and to mail similar catalogs to his good customers. Theoretically, the retailer won't need to stock any inventory. He will have the option to sell product himself or to use MicroFun for fulfillment."

With an anticipated June 1983 publication date, Bernstein would reveal no cost figures, as yet. Ultimately, the catalog will be published bi-annually to update the changing titles and prices that are part and parcel of the software marketplace.

—D.C.

## OUR NEW BABIES.



## TAC-2

Totally Accurate Controller™  
JOYSTICK CONTROLLER FOR ATARI GAME, SEARS TELEGAME, ATARI 400/500, COMMODORE VIC™

If your joystick is like most, you can't feel when you have made a move. You only see it on the screen, when it's too late. Suncom has a solution. TAC-2. Totally Accurate Controller — 2 fire buttons.

With its longer shaft, arcade style ball top, and exclusive Suncom internal construction, TAC-2 gives you that extra control...you can feel absolutely, positively, for sure, exactly when you have made a move. And with its 2 fire buttons, TAC-2 is equally fair to left handers and right handers.

TAC-2 comes with Suncom's famous 2 year warranty. And it comes with something else. Totally Accurate Control.

YOUR SENSITIVE JOYSTICK CONTROLLER FOR ATARI GAME, SEARS TELEGAME, ATARI 400/500, COMMODORE VIC™

Our engineering staff has spent months creating, designing and refining the Joy-Sensor. The digitally simulated joystick controller with no stick, to bring you just the right combination of control and responsiveness. Now, the slightest touch is all that it takes to effect control movements on your game screen. Rock your finger or thumb back and forth, and it seems like Joy-Sensor has read your mind. Moves are executed much faster because there is no stick to move, no resistance to movement.

Your ships will fly across the screen as easily as light flies through space. Your laser rays will fire exactly when you want them to. You will never go back to your old joystick again.

**Suncom**  
600E Anthony Trail, Northbrook, IL 60062

\*Products and trademarks of Atari, Sears, Commodore, Apple Computer.

## Starfighter for apple

JOYSTICK CONTROLLER FOR APPLE COMPUTER™

You own an Apple Computer. You probably use it for entertainment and to play games. We think that you deserve a controller that is as up and keeping with new technology as your computer. So we designed it. From scratch. Brand new internally. Starfighter for Apple.

Starfighter for Apple has many of its Atari-compatible counterparts' superior physical characteristics. Round-cornered and smooth. It won't fatigue you over those long playing sessions. And internally, its new, advanced design gives you a kind of feel and response during game play that you have never experienced before.

Of course, Starfighter for Apple comes with a 2 year warranty. From your friends at Suncom.

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### THE FOLLOWING COMPANIES MANUFACTURE COMPUTERS COSTING LESS THAN \$1,000:

Astracade, 6460 Busch Blvd., #215, Columbus, OH 43229  
614/885-0130  
Atari, 1312 Crossman, P.O. Box 61657, Sunnyvale, CA 94086  
408/942-6500  
Casio, Inc., Microcomputer Division, 15 Garfield Rd., Fairfield, NJ 07006  
201/575-7400  
Coleco Industries, Inc., Coleco Corporate Ctr., West Hartford, CT 06110  
203/725-6000  
Commodore Business Machines, Inc., Computer Division, 681 Moore Rd., King of Prussia, PA 19406  
215/337-7100  
Emerson Radio Corp., 1 Emerson Lane, Secaucus, NJ 07094  
201/865-4343  
Epson America, Inc., 3415 Kashiwa St., Torrance, CA 90505  
213/539-9140  
General Consumer Electronics Corp., 233 Wilshire Blvd., #220, Santa Monica, CA 90401  
213/458-1730  
Hewlett-Packard, 3000 Hanover St., Palo Alto, CA 94304  
415/857-1501  
Natal Electronics, 5150 Rosecrans Ave., Hawthorne, CA 90250  
213/978-5150  
NEC Home Electronics, 1401 Estes Ave., Elk Grove Village, IL 60007  
312/228-5900  
Odyssey/N.A.P. Consumer Electronics, 1-40 & Straw Plains Pike, Knoxville, TN 37914  
615/521-4316  
Panasonic, 1 Panasonic Way, Secaucus, NJ 07094  
201/348-7000  
Quasar Co., 9401 W. Grand Ave., Franklin Park, IL 60131  
312/451-1200  
Radio Shack/Tandy Corp., 1800 One Tandy Ctr., Fort Worth, TX 76102  
817/390-3011  
Sanyo Business Systems Corp., 51 Joseph St., Moonachie, NJ 07050  
201/440-9300  
Sharp Electronics Corp., Systems Division, 10 Keystone Pl., Paramus, NJ 07652  
201/265-5600  
Spectravideo, Inc., 39 West 37th St., New York, NY 10018  
212/869-7911  
Timex Corp., P.O. Box 2126, Waterbury, CT 06720  
203/573-5000  
Tomy Corporation, 401 East 233 St., Carson, CA 90749  
213/549-2721  
Toshiba America, Inc., Information Systems Division, 2441 Michelle Dr., Tustin, CA 92680  
714/730-5000  
Ultravision, 2315 NW 107 Ave., MF2 Box 19, Miami, FL 33172  
305/512-0878  
Video Technology, 2633 Greentree, Elk Grove, IL 60007  
312/640-1776

### RETAILER GUIDE TO COMPUTER HARDWARE MANUFACTURERS

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408/429-6000  
Apple Computer, Inc., Personal Computer Systems Division, 20424 Mariani, Cupertino, CA 95014  
408/996-1010  
Bell & Howell Co., CEC Division, 360 Sierra Madre Villa, Pasadena, CA 91109  
213/796-9381  
Casio, Inc., Microcomputer Division, 15 Gardner Rd., Fairfield, NJ 07006  
201/575-7400  
Commodore Business Machines, Inc., Computer Division, 681 Moore Rd., King of Prussia, PA 19406  
215/337-7100  
Compaq Computer Corp., 12337 Jones Rd., Suite 520, Houston, TX 77070  
713/890-7300  
Computer Devices, Inc., 25 North Ave., Burlington, MA 01803  
617/273-1550  
Corona Data Systems, Inc., 31324 Via Colinas, Suite 110, Westlake Village, CA 91361  
Cromenco, Inc., 280 Bernardo Ave., Mountain View, CA 94043  
415/964-7400  
Datavue Corp., 1911 22nd Ave., S., Seattle, WA 98144  
206/322-9330 or 800/426-9247  
Eagle Computer, Inc., 983 University Ave., Los Gatos, CA 95030  
408/395-5005  
Epson America, Inc., 3415 Kashiwa St., Torrance, CA 90505  
213/539-9140  
Franklin Computer Corp., 7030 Colonial Hwy., Pennsylvania, NJ 08109  
609/488-1700  
Gimix, Inc., 1337 West 37 Pl., Chicago, IL 60609  
312/927-5510  
Hewlett-Packard Co., 3000 Hanover St., Palo Alto, CA 94304  
415/857-1501  
IBM Corp., P.O. Box 1328, Boca Raton, FL 33432  
305/998-6193  
Intelligent Systems Corp., 225 Technology Park/Atlanta, Norcross, GA 30092  
404/449-5961  
LNW Research Corp., 2620 Walnut, Tustin, CA 92680  
714/641-8850  
Microcomputer Technology, Inc., 3304 W. MacArthur Blvd., Santa Ana, CA 92704  
714/979-9923  
Mestek Corp., Micro Systems, Division, 1215 W. Crosby Rd., Carrollton, TX 75006  
214/323-1829  
Non-Linear Systems/Kaypro, 533 Stevens Ave., Solana Beach, CA 92075  
619/755-134  
Olivetti Corp./Decutal, Computer Systems Division, 155 White Plains Rd., Tarrytown, NY 10591  
914/631-8100  
Osborne Computer Corp., 26500 Corporate Ave., Hayward, CA 94545  
415/887-8080  
Radio Shack/Tandy Corp., 1800 One Tandy Ctr., Fort Worth, TX 76102  
817/390-3011  
Seagate Computer Corp., 257 West St., Annapolis, MD 21401  
Sony Corp. of America, Microcomputer Products Division, 7 Mercedes Dr., Montvale, NJ 07645  
201/573-8899  
Southwest Technical Products Corp., 219 W. Rhapsody, San Antonio, TX 78216  
512/344-0241  
Telxon Industries, Inc., 1401 Northwest 69th St., Ft. Lauderdale, FL 33309  
905/971-2253  
Telram Communications Corp., 2 Corporate Park Dr., White Plains, NY 10604  
914/694-9270  
Texas Instruments, Inc., P.O. Box 53, Lubbock, TX 79408  
800/858-4565  
Wave Mate, Inc., 14009 Crenshaw Blvd., Hawthorne, CA 90250  
213/978-8600  
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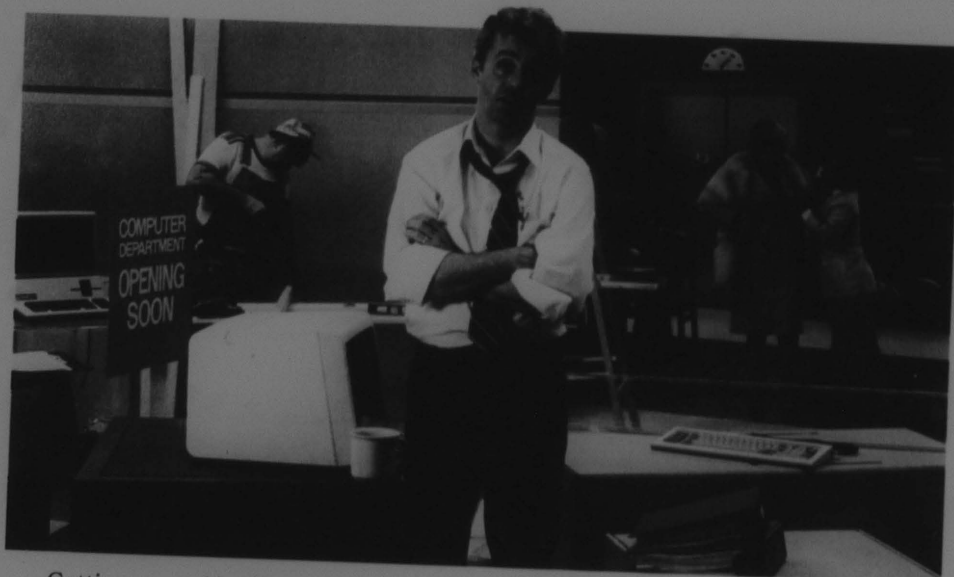
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Computer Potentials, 484 Oakmead Pkwy., Sunnyvale, CA 94086  
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Computer Software Dist., 4200 Wisconsin Ave., NW, Washington, DC 20016  
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Digital Marketing, 2670 Cherry Lane, Walnut Creek, CA 94596  
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Dutch Valley Dist., Stone Mountain, GA 30083  
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East Texas Periodicals, Houston, TX 77054  
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F.A. Components, 73-37 182nd St., Fresh Meadows, NY 11366  
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General Business Computers, 2020 Fairfax Ave., Cherry Hill, NJ 08003  
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Leisure Industries, Wheeling, IL 60090  
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Matchless Systems, 1844 S. Broadway, Gardena, CA 90248  
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Micro Distributors Inc., 11794 Parklawn Dr., Rockville, MD 20852  
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Micro Fax, Cupertino, CA  
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Micro Mike's, Inc., 3015 Plains Blvd., Amarillo, TX 79102  
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Micro Software International Inc., 50 Teed Dr., Randolph, MA 02368  
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213/204-6620  
Software Express, 2615 Miller Ave., Mountain View, CA 94041  
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Sopico Electronics, Dayton, OH 454304  
513/224-0871  
Star Video, New York, NY 10001  
212/695-8628  
Startronics, 23995 Freeway Park Dr., Farmington Hills, MI 48024  
313/477-7586  
Stam-Hickman Co., Cleveland, OH 44131  
216/749-7000  
Stereo Electronics, Inc., Wadsworth Rd. & North Ave., Zion, IL 60099  
312/746-1600  
Stewart Co., Dallas, TX 75243  
214/991-5555  
Strateline Marketing Inc., 131-27 Fowler Ave., Flushing, NY 11355  
212/445-4225  
Structural Systems Group, 5204 Claremont, Oakland, CA 94618  
415/547-1567  
Syntronics Marketing, Inc., Box 209, Hasbrouck Heights, NJ 07604  
201/288-3322  
Wayner Corp., 133911 Enterprise Dr., Garden Grove, CA 92643  
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- All Channel Products**, 42-40 Bell Plaza, Bayside, NY 11361  
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- Alpha Data, Inc.**, 20750 Marilla St., Chatsworth, CA 91311  
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617/482-8248
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415/966-1545
- Centronics**, 1 Wall St., Hudson, NH 03050  
603/883-0111
- Cardinal Industries Inc.**, 21-01 51 Ave., Long Island City, NY 11101  
212/784-3000
- Casio, Inc.**, 15 Gardner Rd., Fairfield, NJ 07006  
201/575-7400
- Coleco Industries, Inc.**, Coleco Corporate Center, West Hartford, Conn. 06110  
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- Commodore Business Machines, Inc.**, Computer Division, 681 Moore Rd., King of Prussia, PA 19406  
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- Datsart, Inc.**, 19519 Business Center Dr., Northridge, CA 91324  
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- Dataroyal, Inc.**, 235 Main Dunstable Rd., Nashua, NH 03061  
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- Entex Industries, Inc.**, 303 W. Artesia Blvd., Compton, CA 90220  
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- Epson America, Inc.**, 3415 Kashiwa St., Torrance, CA 90505  
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- Exidy**, 390 Java Dr., Sunnyvale, CA 94086  
408/734-9831
- GBL, Inc.**, 6374 Warren Dr., Norcross, GA 30093  
404/447-1548
- General Consumer Electronics Corp.**, 233 Wilshire Blvd., #220, Santa Monica, CA 90401  
213/458-1730
- Houston Instrument, Div. of Bausch & Lomb**, One Houston Sq. at 8500 Cameron Rd., Austin, TX 78753  
512/835-0900
- Howard Industries, Inc.**, 2051 E. Cerritos Ave., BC, Anaheim, CA 92806  
714/778-3443
- Inferriba**, 2720 S. Croddy Way, Santa Ana, CA 92704  
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- Interlace, Inc.**, 20932 Centara St., Canoga Park, CA 91304  
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- InterMagnetics America, Inc.**, 1311 Colorado Ave., Santa Monica, CA 90404  
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- Koch Co.**, 14252 Culver Dr., Suite A 187, Irvine, CA 92714  
714/857-4208
- Kraft Systems Co.**, P.O. Box 1268, Vista, CA 92083  
714/724-7146
- Lexicon Corp.**, 1541 NW 65th Ave., Ft. Lauderdale, FL 33313  
305/792-4400
- Laxidata Corp.**, 755 Middlesex Tpk., Billerica, MA 01865  
617/663-8550
- Lebo Drives**, 354 S. Fairview, Goleta, CA 93117  
805/663-1576
- Malibu Electronics Corp.**, 2301 Towngate Rd., Westlake Village, CA 91361  
805/496-1990
- Mannesman-Tally**, 8301 S. 180th St., Kent, WA 98031  
206/251-5524
- Mattel Electronics**, 5150 Rosecrans Ave., Hawthorne, CA 90251  
215/978-5150
- Maxell Corp. of America**, 60 Oxford Dr., Moonachie, NJ 07074  
201/440-8020
- Micro Compatible Inc.**, P.O. Box 7624, Atlanta, GA 30357  
404/874-6366
- Micro D**, 17406 Mt. Cliffwood Circle, Fountain Valley, CA 92708  
714/540-4781
- Micromation Inc.**, 1620 Montgomery, San Francisco, CA 94111  
415/398-0289
- Milton Bradley Co.**, 111 Maple St., Springfield, MA 01101  
415/525-6411
- Mindware, Inc.**, 15 Tech Circle, Natick, MA 07160  
617/855-3398
- MPI (Micro Peripherals, Inc.)**, 4426 S. Century Dr., Salt Lake City, UT 84107  
801/263-3081
- National Systems Corp.**, 12417 Cedar Rd., Cleveland, OH 44106  
216/721-3309
- NEC Home Electronics**, 1401 Estes Ave., Elk Grove Village, IL 60007  
312/228-5900
- Newport Controls/Hess & Company Ltd.**, 7330 Adams St., Paramount, CA 90723
- Novation, Inc.**, 18664 Oxnard St., Tarzana, CA 91356  
213/996-5060
- Odyssey/N.A.P. Consumer Electronics**, 1-40 & Straw Plains Pike, Knoxville, TN 37914  
615/521-4316
- Okidata Corp.**, 111 Gaither Dr., Mt. Laurel, NJ 08054  
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- Panasonic**, 1 Panasonic Way, Secaucus, NJ 07094  
201/348-7000
- PMI Communications**, 5201 Leesburg Pike #604, Falls Church, VA 22041  
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- Polymorphic Systems**, 460 Ward Dr., Santa Barbara, CA 93111  
805/967-2351
- Prim Corporation**, 3096 Orchard Dr., San Jose, CA 95134  
408/946-4600
- Quasar Co.**, 9401 W. Grand Ave., Franklin Park, IL 60131  
312/451-1260
- Racet Computers Ltd.**, 1330 N. Glassell, Ste. M, Orange, CA 92667  
714/997-4950
- Radio Shack/Tandy Corp.**, 1800 One Tandy Ctr., Fort Worth, TX 76102  
817/390-3011
- Recon Corporation**, 46-23 Crane St., Long Island City, NY 11101  
212/392-6442
- Retail Technologies, Inc.**, 240 Montgomery St., San Francisco, CA 94104  
415/433-7944
- Rianda Electronics, Ltd.**, 2535 Via Palma, Anaheim, CA 92801  
714/995-6552
- Robotics International Corp.**, 2335 E. High St., Jackson, MI 49203  
800/248-0896
- Sanyo Business Systems Corp.**, 51 Joseph St., Moonachie, NJ 07054  
201/440-9300
- Sharp Electronics Corp.**, Systems Division, 10 Keystone Pl., Paramus, NJ 07652  
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- Scientific Data Systems**, 344 Main St., Venice, CA 90291  
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- Softel Computer Products Inc.**, 8295 S. La Cienega Blvd., Inglewood, CA 90301  
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- SpectraVideo, Inc.**, 39 West 37th St., New York, NY 10018  
212/869-7911
- Starplex Electronics**, E. 23301 Mission, Liberty Lake, WA 99019  
509/924-3654
- Star Micronics, Inc.**, Peripherals Division, 1120 Empire Central Pl., Dallas, TX 75214  
214/631-8560
- Suncom, Inc.**, 270 Holbrook Dr., Wheeling, IL 60090  
312/541-8816
- Systems Group**, 1601 W. Orangewood Ave., Orange, CA 92668  
714/633-4460
- Tallgrass Technologies Corp.**, P.O. Box 12047, 9009 W. 95th St., Overland Park, KS 66212  
913/381-5588
- TDK Electronics**, 111 Old Bee Tree Rd., Swannanoa, NC 28778  
704/298-6990
- Technidyne Corp.**, 8550 Katy Fwy., Suite 216, Houston, TX 77024  
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- Telcon Industries, Inc.**, 1401 NW 69th St., Ft. Lauderdale, FL 33309  
305/971-2250
- Televideo Systems, Inc.**, 1170 Morse Ave., Sunnyvale, CA 94086  
408/475-7760
- Terak Corp.**, 1415 N. 76th St., Scottsdale, AZ 85260  
602/998-4800
- Texas Instruments**, P.O. Box 10508 M/S 5890, Lubbock, TX 79408  
806/741-2642
- TG Products**, 1104 Summit Ave., Suite 110, Plano, TX 75074  
214/424-8568
- 3G Co., Inc.**, Rt. 3 Box 28A, Gaston, OR 97119  
503/662-4492
- Three Rivers Computer Corp.**, 720 Gross St., Pittsburgh, PA 15224  
412/621-6250
- Times Corp.**, P.O. Box 2126, Waterbury, CT 06720  
203/573-5000
- TNW Corp.**, 3444 Hancock St., San Diego, CA 92110  
714/296-2115
- Toshiba America, Inc.**, Information Systems Division, 2441 Michelle Dr., Tustin, CA 92680  
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714/594-1351
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714/953-0523
- Visual Technology, Inc.**, 540 Main St., Tewksbury, MA 01876  
617/851-5000
- Wico Corp.**, 6400 West Gross Point Rd., Niles, IL 60648  
312/647-7500
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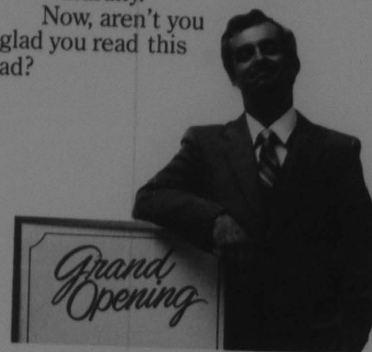
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## Computer software gets tougher to display at retail because of varying package sizes

By Bill DeSiena, associate editor

BERKELEY, CA—Packaging computer software in four-color boxes may have been the answer to penetrating the mass market, but for both dealers and suppliers, many headaches with merchandising the category remain.

For one thing, the lack of an industry standard for package size in disk, cassette and the growing ROM cartridge format has made software tough to display at retail. Vendors are also being called on to make a pilferage-proof package, as the problem is growing in proportion to the market itself.

While the four-color box has all but replaced the plastic zip-lock bag, much of the new packaging looks the same. But that will change, some suppliers believe. Different looks and finishes are appearing, and the game descriptions on the boxes are getting more explicit.

At least a couple of vendors will show redesigned packaging at the Summer CES. Very sophisticated packaging to date, one distributor commented, is creating some fear that its presentation may not accurately tell a consumer about actual game play quality. Technological innovation this year will start to correct this situation, she added.

### Different sizes pose problems

Because the industry has not agreed on any one standard for the size and shape of software packaging, the area has posed a problem for retailers trying to display it. "With all of the different package sizes a dealer has to carry, his shelving is often ill-designed to fit a portion of the inventory," noted Lorraine Mecca, president of software distributor Micro D.

Most general retail outlets, unlike computer specialty stores, are requesting J-hooked boxes to counter the problem of shelving different sized packages neatly. Micro D's Service Software division, a rack-jobbing operation for the more computer-naïve mass merchandiser, has found that most display the software racks under the counter.

Displays for specialty dealers are just as much of a headache. Audio retailer Michael Jaret, president of Appletree Stereo, carries a full line of Apple Computer product. "I would like to see some more thought by the suppliers on the development of a standard package size. The biggest problem I have with software is



PILFERAGE PROBLEMS exist with computer software since thieves can easily take disks and cassettes out of boxes and put the empty box back on the shelf. Some suppliers are taking action, such as packing the boxes in ultrasonic plastic bubbles so they cannot be opened.

displaying it," he commented.

To handle the different sized boxes, Jaret has custom-built two separate wall units and is planning to add a third to accept a new size package.

As more manufacturers are rushing to market with ROM cartridge versions of popular disk and cassette games, yet another box size has come into play. "There's no question ROM cartridges have added another variation in package dimensions," asserted Don Kingsborough, president and CEO of distributor Software Knowledge Unlimited (SKU).

And ROM cartridges for the home computer owner are here to stay. "They're easier to use because the user doesn't have to go out and buy a disk drive to run a program. He needs expensive equipment to copy a ROM game, and the cartridge lends itself to closer association by the consumer who is used to their videogame systems," he continued.

Scott Lewellyn, vice president of marketing for Datasoft, said the ROM format was becoming more popular because of technological breakthroughs. "Once a 4K cartridge was possible, then came 8K, and now 16K memory can be used in a ROM cartridge," he pointed out. But in Datasoft's case, its new ROM games, like those cassette and disk versions, will be packed in the same size box.

### Software is a steal

As the home computer has penetrated the mass market, so has software designed for it. The need for vendors to develop pilfer-proof boxes has never been stronger.

"People are walking into stores and are taking the disks and cassettes out of boxes, closing those boxes and putting them back on the shelf. They look like they were never even touched," reported Micro D's Mecca. But within the past year, distributors and manufacturers have started to address the problem. Many, like Micro D, are packing the boxes in an ultrasonic plastic bubble so they cannot be opened.

SKU is taking supplier packaging and putting radio frequency (RF) seals on it, which is effective if a dealer operates an electronic inventory control system. "Retailers who use this system are taking titles out from under the counter and placing

them on a display rack where people can touch them," Kingsborough explained.

Richard Leonetti, vice president of marketing and sales for distributor Softsel, indicated that the industry would adopt bar-coding and ultraviolet light systems for its packaging to deter theft. One of the most common requests from mass merchandisers is for product that comes in a colored casing, such as a plastic container of some form.

A dealer like Appletree's Jaret is just as concerned about getting ripped off. "We have ended up breaking packages open, to file the diskettes, so that we only have to display one box on the shelf. It is a sure way to prevent pilferage," he noted. When a customer wants to buy a certain title, the salesperson must retrieve it from a file where it is wrapped in a plastic bag.

He added, "I'm noticing that more and more packages are measuring 8½ by 11 in., which makes them tougher to slip into your pocket."

### Four-color a must

While zip-lock bagging has its pluses, such as being cheaper and taking up less stock space, most in the industry are moving toward slick, four-color packaging. "If a game box isn't done in four-color, the dealers don't want anything to do with it. Suppliers are pushing boxed titles to market as fast as they can," Kingsborough of SKU remarked.

Elaborate packaging means a greater cost for the dealer, right? Wrong.

"Although the cost of a packaging change may be large, there is still a heavy enough markup in the software itself so that the retail price hasn't been affected. The suppliers are absorbing it in most cases," Kingsborough pointed out.

"Software packaging is reaching new levels of sophistication," said Michael Katz, president of Epyx. He pointed to the example of one competitor who was packing one of its programs in a vinyl casing. "There is more of a drive toward utility in the package, where it can be recognized as a durable product and be attractive as a storage device in the home," he said. "But the arcade theme is still popular among consumers, and the

(Continued on page 66)



BOXES ARE PROTECTED with plastic bubble or shrink-wrap packaging, radio frequency seals and, soon, bar-coding.

## PERSONAL ELECTRONICS

# Game ads are smaller, more price oriented compared to big push a few months ago

By Bill DeSena, associate editor

NEW YORK—The big push is over—at least for now. Consumers used to seeing full page upon full page of videogame promotions while perusing the newspaper during the fourth quarter of last year, now find smaller, price-oriented efforts.

For the most part, the general Christmas sales surge and the strong commitment by videogame suppliers accounted for the size and number of ads through the past holiday.

Reflecting the lack of that support, most retailer ads through March devoted a minimum amount of space to the game area. And the emphasis has been on sharp pricing for both hardware and software.

But as newer titles begin to hit the store shelves this spring at a faster pace, backed by increased promotional efforts on a national level, the current trend in ads should begin to reverse itself.

Despite the cutbacks, however, some dealers still managed to come

up with innovative promotions to merchandise the price-sensitive videogame hardware and software during the first quarter of 1983.

### Happy Birthday Pac-Man

Believe it or not, Atari's Pac-Man cartridge has celebrated his first birthday, and Sam Goody's wrapped the promotion around its entire videogame department. Hailed as its "biggest game event ever," readers were invited to send Pac-Man a birthday card and be eligible for a stand-up Pac-Man arcade game valued at \$4,000.

The Pac-Man cartridge was advertised at \$19.99, "originally \$37.99." The chain also promoted the Atari 2600 at \$99.99, ColecoVision at \$179.99, Mattel Intellivision II at \$149.99 with a free voice synthesizer offer worth \$70, and GCE's Vectrex stand-alone videogame system at \$169.99.

The ad in the New York Times finished up with "Your choice" car-

tridge specials for all of the above systems.

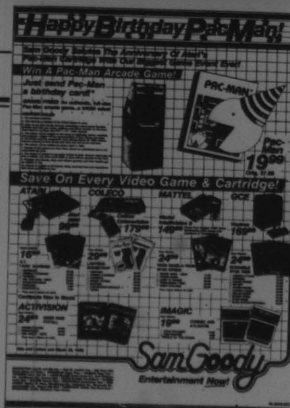
The Chicago area's Video King electronics chain, even though it devoted only one-sixth of the ad space to videogames, gave the section its own ad theme. "Atari them! Make the kids you love happy this Valentine's Day!" was the pitch Video King offered readers just before Feb. 14. Reinforcing the message with small hearts, inscribed with "Best price in town" and "You'll love these deals," the VCS was run at \$99. "Unlike others, no purchase required," the copy continued.

In addition, the store mentioned its status as a factory-authorized Atari service dealer with the line "Did you know that Video King's service department fixes it the first time?" The store also promoted Mattel's Intellivision II with the free voice module offer, Starpath's Supercharger accessory for the VCS, Wico and Pointmaster joysticks plus software from Activision and Imagic.

In a full-page ad, Trader Horn, an appliance chain headquartered in New Jersey, devoted a quarter-page to videogames. But more the rule than the exception, this ad was strictly price-oriented. Atari's VCS was shown at \$88. The 5200 was merely mentioned as being available, the store looking to bring the customer in before revealing the unit's price point.

The Intellivision II was pushed at \$137, again including the voice module giveaway, which expires at the end of this month. On both sides of the ad, the Atari and Intellivision cartridges were listed, with prices. A "Your choice" promotion of the hottest-moving titles was mentioned at the bottom.

Tom Peterson's, Inc. included the Atari "But Two Get One Free" offer in his Thank You Portland (OR) Sale, in which he thanked the city for



PAC-MAN CELEBRATED his first birthday with style as Sam Goody's wrapped a promo around its entire videogame department.

making 1982 "another banner year." Promoting Asteroids at \$16.95, the ad listed and pictured nine titles that were included in the event.

### Promotional intent differs

Other stores have been promoting videogame systems with a different purpose in mind—namely to sell another product. Closer to the holidays, the Programs Unlimited computer specialty chain on the East and West Coasts ran an Atari trade-in offer, which invited the reader to trade in his Atari VCS for an Atari 400/800 computer.

The New York-based Computer Center, another specialty dealer, promoted the Atari VCS for \$99.95 and an extra pair of Atari joysticks for \$10.95—obviously an attempt to lure the customer in to view computer product from Atari, Apple, IBM, Franklin and others.

At the end of February, the Orange, NJ-based Brick Church Appliance chain ran a full-page ad that did not promote any videogame product. Right at the top, however, was a page-stopping offer of a free Arcadia 2001 videogame system from Emerson, "a \$129.00 value." The offer was good with the purchase of any appliance, TV, stereo system or component for more than \$300. Advertised specials were not included. "Limit one per family," the copy read.



DRAWING ATTENTION, a recent ad from Tom Peterson's (left) offered a free Atari cartridge to buyers of two cartridges. The Video King (right) promoted games for Valentine's Day with the slogan "Atari Them."

## Merchandising's TOP 10 TEN

... in videogame software

	Last month's position	Months on chart
1. Centipede (Atari)	8	2
2. Ms. Pac-Man (Atari)	2	3
3. River Raid (Activision)	3	3
4. Pac-Man (Atari)	7	2
5. Frogger (Parker Brothers)	5	3
6. Donkey Kong (Coleco)	4	3
7. Zaxxon (Coleco)	—	1
8. Pitfall (Activision)	1	3
9. Sea Quest (Activision)	—	1
10. Mousetrap (Coleco)	10	2

## Vendors work to differentiate software packaging

(Continued from page 65)  
package must reflect this," he added. Epyx has upgraded its package quality and more changes are on the way, Katz reported. J-hook packaging is a likely possibility for the firm's software.

One problem with software packaging today is that the graphics offer little distinction from one title to the next. To counter this, Katz said Epyx will show new packaging at the Summer CES. "We are considering all types of packaging to differentiate ours from the others."

Datasoft will also make changes in its box design shortly, but the company's image will remain consistent with each package. "Can you see the box and know it is a Datasoft title? That's most important. But we also look to provide information about the system it runs on, and the memory and peripherals or cables needed," Lewellyn commented.

Atari, once making computer software only for Atari hardware, will become a third-party supplier in the near future. Packaging graphics might differ on software for Atari hardware versus other computers on the market, but certain packaging

themes will be the same throughout.

"Our packaging does two things. It creates a strong, sophisticated impression of Atari HCD products in the store environment, and presents tangible benefits of what may be unfamiliar products to the consumer," commented Richard Moyer, director of marketing services.

Packaging for current Atari 400/800/1200 titles presents a common problem to the shopper and then tells him how the software solves it. The AtariWriter box, for example, shows a bunch of crumpled up papers around a wastepaper basket. A typewriter has been dumped in the basket. The box copy begins with "Your love/hate relationship with your typewriter is about to end."

The idea, said Moyer, is designed to appeal to those people who have never before used a personal computer.

Mecca of Micro D said that consumers still often take a game home, place it on their computer and say "This is nothing like the picture!" "I think we're moving closer to the kind of games that play as well as the package's pictures look good," she concluded.

## NEWSLINES

### PERSONAL ELECTRONICS

# 12345

#### GE enters phone market with Advantage Series

NEW YORK—General Electric is entering the consumer telephone business with the Advantage Series line of electronic phones. The company estimated that industry phone sales would exceed 16 million units by 1987 versus the five million sold last year. "We have conducted extensive consumer research to develop the right product for entry at the right time," noted John Trani, general manager of the audio electronics products depart-



GE's five new phones include cordless, standard units

ment. That time, he added, is now.

Five phones will be debuted, including a desk-top or wall-mount extension model (\$43.95 suggested retail), a 12-number memory phone (\$59.95), two phone/clock radio combinations (\$99.95 and \$115.95) and a maximum range cordless unit (\$199.95). They will be on retailers' shelves beginning next month. The cordless model is backed by a one-year warranty, and the remaining four corded units, by a two-year warranty. The phones are also supported by GE's service centers nationwide. An advertising campaign will kick off the second half of the year.

#### Cobra launches campaign to back cordless phones

PROMOTION PIECES—The Cobra Consumer Products Division of Dynascan launched a \$6-million national ad campaign last month to back its cordless phone line. A series of 30-second commercials will run through the end of the year. The commercials feature the Cobraphone combination

phone/clock radio model. Additional spot TV and national magazine advertising will run during this period... There's No Escape from Imagic. The video-game software maker will premier its renamed No Escape! title (tentatively titled Escape from Argos) for the Atari VCS with an introductory offer. The consumer who returns a coupon from the game package (plus \$1.50 to cover postage and handling) will get a free Zircon joystick, valued at \$15.95.

Timex has introduced its first-ever cooperative advertising program for its watches. A basic accrual of three percent

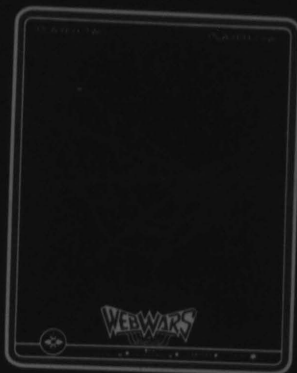
is effective on all watch purchases from May 1 through December. A special five percent rate is also available... Activision has rolled out a rub-and-win game card promotion for its Keystone Kapers release. The "Katch The Krook" giveaway will award \$35,000 in prizes.

#### Apple cuts back prices on two of its computers

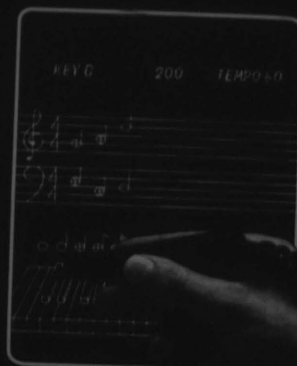
NEWS BITS—Apple Computer has cut prices on the Apple III 256K model to \$2,695 from \$3,495, and on the 128K version to \$2,495 from \$2,995. The firm

will also stop making the latter model because of larger demand for the 256K. Apple will still offer software and servicing for both systems... Advertising for computers on national spot and network TV climbed 196 percent in 1982 to reach \$77.9 million. That compares with \$26.3 million in 1981, said the Television Bureau of Advertising. In addition, \$1.7 million was spent for retail ads by computer stores. IBM (\$19.9 million), Commodore (\$14.1 million) and Warner Communications, for Atari computers (\$11.6 million) led the manufacturing community in expendi-

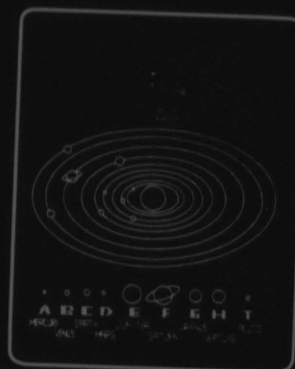
## THE 3 FACES OF VECTREX.



A HIGH-PERFORMANCE VIDEO GAME MACHINE.



A UNIQUE LEARNING TOOL.



A POWERFUL COMPUTER SYSTEM.

**SPECIAL BULLETIN**  
Vectrex Announces a  
Technological Breakthrough—  
**REAL 3-D IN COLOR!**  
See us at Booth 5080 at McCormick West  
for a demonstration

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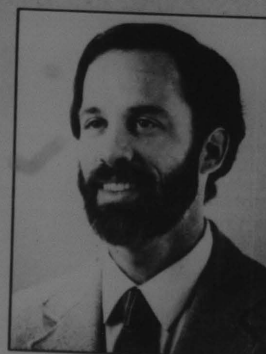
tures. Computerland and Tandy for Radio Shack led dealers in local spot spending.

American Telecommunications Corp. (ATC) will offer their Kermit the Frog telephone to all retailers at the upcoming June Consumer Electronics Show. The company previously said that an order from American Bell had taken the entire 1983 production of the product. However, explained Tom Eisenstadt, vice president of sales, a program to more fully automate its main manufacturing facility in Upland, CA, will increase product output. Now, orders can be written in June

for delivery in August... Pathcom, Inc. has completed its plan of reorganization which will ensure its continued operation as a wholly-owned subsidiary of the Wells Fargo banking organization. Final proceedings were held March 22. The company will attempt to regain its market share in the Landmobile and cordless telephone product lines. Its CB and car stereo businesses have been phased out. W.I. Thomas, president, stated that its management group is expected to complete a private financing program and the firm will be repurchased from Wells Fargo.

## SKU promotes Brownell; Goldberg joins the firm

**MANAGEMENT MOVES—** G. Robert Brownell has been promoted to senior vice president of Software Knowledge Unlimited (SKU). Robert Goldberg has joined the company as director of marketing... Helene Laufer has been named vice president of Quick Brown Fox... J. Merrick Taggart has assumed the newly created position of director of marketing for Tronix Publishing, Inc... Denay Mosier has been named marketing manager for Continental Software... Wico has tapped



Goldberg joins SKU as director of marketing

Skip Roberts for sales manager of key accounts for the consumer products division... Ermanno Bruno has joined Creative Software as national sales manager... Stephen F. Milam has been named president of Magnetic Tape International (MTI). He will continue as president of American Video Tape Manufacturing (AVT). Both firms are subsidiaries of Inter-Magnetics America. MTI has appointed Joel Abrams as national sales manager of computer products. MTI also elected Dick Moe to the post of national sales manager of videogames... Dennis Reer has joined Casio as computer marketing manager, consumer products division.

## AtariTel line will debut product in early 1984

SUNNYVALE, CA—Atari, Inc. will enter the home telecommunications market with a line of microprocessor-based systems. According to Peter Wensberg, president of the newly formed AtariTel Division, plans call for marketing to begin in the U.S. early in 1984, and a number of products are in the pre-production stage. Atari is planning to become an active marketing partner with telephone operating companies to distribute the new AtariTel line, Wensberg said. The division's products will also be sold through traditional consumer electronics channels.

## Coleco to pay royalties to make expansion module

NEW YORK—Warner Communications, Inc., its subsidiary, Atari, Inc., and Coleco have settled all issues that were the subject of litigation involving the companies. The terms of the agreement call for Coleco to become licensed on a royalty basis under Atari's patents to continue the manufacture and sale of both its expansion module No. 1 for ColecoVision and the free standing Gemini videogame system, which play cartridges compatible with the Atari 2600. All other terms and conditions of the settlement agreement remain confidential.

## 1. A HIGH PERFORMANCE VIDEO GAME MACHINE

Superior design, vector graphics make the difference.

The high-performance Vectrex surpasses all TV-connected video games. It is completely self-contained, with its own built-in screen. Laser-sharp vector graphics move faster, smoother, have greater response than slow graphics of ordinary TV games. And vector graphics offer such special effects as 3-D movement, zooming and more.

### Exclusive built-in screen.

Vectrex stands alone in more ways than one. Its own high-resolution screen makes it completely portable for playing anytime, anywhere. Leaves the family TV free for viewing, video tape recording, cable reception, etc.

### High-performance controls and sound.

The control panel features a 360° self-centering joystick and four buttons to duplicate the play action of arcade games. A special arcade quality sound chip creates realistic and exciting sound effects. Voice synthesis capability is built right in. No costly add-on is required.

## 2. A UNIQUE LEARNING TOOL

Remarkable light pen.

Vectrex is the only system of its kind with an optional, affordable light pen that makes learning fun. It permits users to interact directly with the screen to create music and art, play educational games and even create their own animation. The light pen and a variety of cartridges will be available this fall.

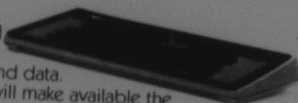
## 3. A POWERFUL COMPUTER SYSTEM

Expander and Keyboard.

The Vectrex system is expandable to a full home computer. Addition of an expander increases the powerful 64K ROM even further.

The stroke keyboard permits quick, easy entry of programs and data.

Next year, Vectrex will make available the first and only fully-functioning, affordable word processor for the home, capable of generating a full 8½"x11" page of text (80 columns by 40 lines). Many more computer components are coming soon.



## ALL THIS ADDS UP TO BIG PROFITS

### High cartridge sales, high profit margins.

Acceptance by national and local retailers has been outstanding. Every major account that bought Vectrex last fall still carries it. One reason: the high margin of profitability in every Vectrex system. And since only Vectrex makes Vectrex cartridges, you can't be undersold. An ever expanding library of exciting games means more sales for you in the long run.

### Hard-hitting advertising.

We make sure Vectrex is a sure money-maker for you. We're advertising it on prime time network, syndicated and cable shows and in full-page advertisements. We'll help bring customers directly to your store with fully-paid co-op advertising and a variety of ad slicks for your use.



### Attention-getting merchandising.

The magic of Vectrex must be experienced. An eye-catching, sturdy display unit invites your customers to try the excitement of Vectrex and stores the complete game library. A simpler free display is also available to help tell your customers the Vectrex story.

Vectrex. It entertains, instructs, computes... and sells! For complete information, see us at Booth 5080 at McCormick West.

**Vectrex™**  
ARCADE SYSTEM  
**GCE™**  
A Milton Bradley Company

## PERSONAL ELECTRONICS/NEW RELEASES IN GAME SOFTWARE

### COMPUTER GAMES

#### ACTION

**BOULDERS AND BOMBS**, CBS Software. Atari 400/800-compatible. Available this month.  
**DEADLY SKIES**, Tronix Publishing. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.  
**FROGGER**, Timex. TS 1000-compatible (with 16K expander). Available now.  
**GOLD FEVER!** Tronix Publishing. Commodore VIC 20-compatible.



Available now. Suggested retail \$39.95.  
**LODE RUNNER**, Broderbund. Apple II/IIe-compatible. Available now. Suggested retail \$34.95.  
**MATING ZONE**, Datamost. Apple II/IIe-compatible. Available now. Suggested retail \$29.95.

**MONSTER SMASH**, Datamost. Apple II/IIe-compatible. Available now. Suggested retail \$29.95.  
**OPERATION WHIRLWIND**, Broderbund. Atari 400/800-compatible. Available now. Suggested retail \$34.95.  
**QUESTRON**, Broderbund. Apple II/IIe-compatible. Available now. Suggested retail \$44.95.  
**ROUNDABOUT**, Datamost. Apple II/IIe-compatible. Available now. Suggested retail \$29.95.  
**SAVE NEW YORK!** Creative Software. Commodore 64-compatible. Available June 1.  
**SCORPION**, Tronix Publishing. Commodore VIC 20-compatible. Available now. Suggested retail \$39.95.

**TRASHMAN**, Creative Software. Commodore VIC 20- and 64-compatible. Available now.  
**WIZ-PLUS**, Datamost. Game enhancement package for Sir-Tech game Wizardry. Apple II/IIe-compatible. 48K RAM. Available now. Suggested retail \$39.95.

### STRATEGY

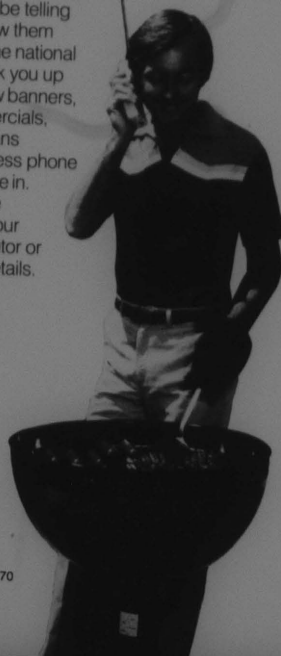
**GOREN BRIDGE LEARNING MADE EASY**, CBS Software. IBM PC-compatible. Available in July. Suggested retail about \$50.  
**MATCHBOXES**, Broderbund. Atari 400/800-compatible. Available now. Suggested retail \$29.95.  
**SLEUTH MASTER**, CBS Software. Apple II-, Atari 400/800-, IBM PC-compatible. Available June. Suggested retail about \$35.  
**STOCK MARKET GAME**, Timex. TS 1000-compatible (with 16K expander). Available now.  
**THE BILESTOAD**, Datamost. Apple II/IIe-compatible. Available now. Suggested retail \$39.95.

## Cordless phone fever is spreading and Cobraphone is the hot brand



More and more Cobraphones are following your customers out to the sunshine. Because America is really warming up to the idea of telephones that go where you go...and Cobraphone is the cordless phone line that adds all the right bells and whistles. Start with the familiar Cobra name and what it stands for: quality, dependability, state-of-the-art technology. Add selection. 12 models with a dazzling array of features, a full range of price points. Long range models for outside use, low-cost, short range for inside. Even a combination cordless phone/clock-radio. Look at the photo of the Cobraphone above.

That's the winning look of our new compact line, designed to fit the hand, not fight it. Features include 9-number automatic dialing, 2-way intercom, automatic redial, remote charging and more. We'll be telling your customers about the phones that follow them out to the sunshine in the biggest Cobraphone national advertising program ever. And we'll back you up in your market with in-store displays, window banners, newspaper ad materials, dealer tv commercials, 4-color customer handouts, promotional plans and a generous co-op ad program. Cordless phone fever is spreading. The phones that go out are in. Get out in the profitable sunshine with the Cobraphone line. See your local Cobraphone distributor or contact us directly for details.



**Cobraphone**  
**CORDLESS TELEPHONES**

Innovative Products for Changing Lifestyles  
 Cobra Communications Product Group

DYNASCAN CORPORATION, 6460 W. CORTLAND, CHICAGO, IL 60635 • 312/889-8870

## \$50 standard phones heat up at Phoneworld

(Continued from page 67)

70 percent of the firm's total volume, according to Koon. The firm carries units from ITT, GTE, Northern Telecom, American Telecommunications, Teleconcepts, Stromberg-Carlson and Paul Nelson Industries.

Perhaps since people have been gabbing for years using Ma Bell's traditional style phone, standard models for about \$50 are in high demand at Phoneworld, Koon said. "People begin to squeak when I show them models above that price."

### Stylish phones sell too

Even so, he added, many people are embellishing their homes with decorator style phones. But there is a limit to what they want to spend. "I'd say \$100 is the resistance point for the more stylish phones."

Customers will pay more, however, for cordless phones. They are being purchased by everyone from younger folks to middle-aged customers, he said. The Cobra Communications units for \$125 to \$200 have generated sales. However, Koon reported, "there have been a few problems with frequencies. In four cases, customers had interference from neighbors with cordless phones. We change the phone's frequency channel when this occurs."

For customers on a budget, Phoneworld offers rebuilt units. They represent about 10 percent of the volume. Noted Koon, "We're located near two technical colleges, and many students live in the area for two years while attending school. They appreciate the fact that they can purchase a rebuilt phone for \$45 to \$50."

In addition to selling phones, the firm also carries dialers, answerers and accessories. Together they represent up to 40 percent of total sales.

"Answerers with the remote control feature sell well since many working people can call home and get their messages," said Koon.

Dialers also have strong sell-throughs, because people with alternate long-distance calling systems can program their access codes and save time, he added.

MERCHANDISING



## PRODUCTS

### Expansion module provides more graphic capabilities

SANTA CLARA, CA—Amiga Corp. has introduced a memory expansion module for the Atari 2600 video computer system. Called "the power module," the system provides increased graphics capability and more sophisticated game play, the manufacturer said.

Conventional videogame cartridges have their programs stored in ROM, which can't be changed. The power module stores its programs in RAM, which can be. Once purchased, the software is the only thing that has to be changed.

To boost graphics and memory



The power module

capabilities of the Atari 2600, Amiga engineers have designed the unit with a separate microprocessor, networked with the Atari's existing one, and six kbytes of RAM. (Cartridges are commonly supplied with either two or four kbytes of ROM).

The model prompts each step in the loading procedure by displaying instructions on the screen. After the program has finished loading, the unit functions as if a cartridge were in place. Program loading times are between 15 and 30 seconds on the average, maker said.

Additional features include a programming procedure allowing games to be played in 3-D, expanded sound capabilities and the ability of two modules to "talk" to each other via phone lines.

The power module comes with two game cassettes—3-D Ghost Attack (3-D glasses are included) and Depth Charge, a machine interactive videogame. Retail price for the module is \$44.95 and additional cassettes are \$9.95.

Amiga Corp., 3350 Scott Blvd., M, Santa Clara, CA 95051.

### Quasar introduces hand-held computer

FRANKLIN PARK, IL—Hand-held computer (HHC) system from Quasar includes a hand-held processor with keyboard and display, "plug-in" application software capability and 10 different peripheral devices and adaptors.

The model contains a 6502 microprocessor with a capacity of up to three 16KB "plug-in" ROM or 4KB or 8KB EPROM capsules, and 2KB, 4KB, 8KB or CMOS RAM. The use of advanced data compression techniques in the HHC can expand these capacities.

Programmable in Microsoft BASIC, SnapBASIC, SnapFORTH and Portaflex, the basic unit with display and keyboard weighs less than one lb. It operates on NiCad batteries or with an AC adaptor/recharger.

With the adaptor, the unit can plug into a television receiver for color graphics capability, connect with larger computers or data bases over the phone or attach to a thermal printer, four-color plotter additional memory or an RS-232C-compatible peripheral device. The complete system weighs 22 lbs.

The basic 4KB HHC unit carries a suggested retail price of \$379, with the 2KB and 8KB versions priced at \$329 and \$479, respectively. Peripheral and adaptor suggested retail prices range from \$45 to \$475, depending on the piece.

Quasar Co., 9401 W. Grand Ave., M, Franklin Park, IL 60131.



Quasar hand-held computer



Allsop computer care products

### Products promote care of computers

BELLINGHAM, WA—Allsop 3 computer maintenance products, manufactured by Innovative Computer Products, include head cleaning diskettes in 5¼- and eight-in. sizes, adaptable to either single- or dual-head floppy disk drives.

The computer "Datasette" compatible cassette cleaner loads into the recording unit, operates like a cassette tape and features replaceable cleaning felts.

Cleaners for daisy-wheel and IBM Selectric-type ball printing elements complete the line.

Suggested retail prices range from \$7.95 for the daisy-wheel cleaner to \$29.95 each for the diskettes.

Allsop, P.O. Box 23, M, Bellingham, WA 98227.

### Computer table adjusts to user's desired height

ST. LOUIS—The Compu-Table from Gusdorf is a long-legged desk designed for either business or home use. It's priced at \$70 retail.

The desk's surface measures 18 in. deep by 31½ in. wide. An adjustable hutch enables the computer monitor to be placed at the eye level desired.

The unit sports a hickory finish and is supported by a steel leg base. Dimensions are 27-1/8 in. high by 31½ in. wide by 18 in. deep. The hutch measures 5-5/8 in. high by 14-1/16 in. wide.

Gusdorf Corp., 6900 Manchester Ave., M, St. Louis, MO 63143.



Triga Command joystick

### User's index finger activates joystick

LAGUNA NIGUEL, CA—Triga Command's joystick employs a firing mechanism that places the trigger immediately underneath the user's index finger. A diamond-cut textured handle helps to eliminate palm slippage.

Complete with five-ft. cord and attachable suction cups, the unit can be mounted onto any smooth surface.

From Electra Concepts Corp., the joystick's suggested retail price is \$19.95.

Electra Concepts Corp., P.O. Box 6479, 23882 Pipit Ct., M, Laguna Niguel, CA 92677.

### Electronic features highlight telephone

EL MONTE, CA—ATC's Voice Express 41, an electronic pushbutton telephone with computerized features, can be programmed to switch automatically from pulse (rotary) to tone (pushbutton).

Other features include: a pause which detects tone electronically, speeding up dialing and reducing mis-dials; chain dialing facilitating two-location calling; electronic lock system preventing use by unauthorized persons, and a programmable hook switch flash storing transfer calls and call waiting in the memory and routing the second call to a pre-programmed location.

In addition, the phone offers a last-number-dialed button, automatic redial-on-busy, displays of time of day, elapsed time of the call and an appointment alarm.

Unit will remember and automatically dial up to 41 numbers with up to 22 digits, including one stored in a special security memory.

ATC, 9620 Flair Dr., M, El Monte, CA 91731.



Voice Express 41

### Basic phones will account for 50% of all phone sales in 1983.



### Are you aware that half of them will be remanufactured?

For over 22 years we've been devoted to remanufacturing telephones. We've never built or imported a single CB radio or car stereo. We're so good at what we do that we're a major supplier of remanufactured telephones to the telephone companies themselves.

It's also a fact that every telephone company in America uses remanufactured telephones to increase their profits. So, what's with you? Chances are the phone on your desk was remanufactured by us. Why not pick it up right now and give us a call? What we've got to tell you can make a real difference in how profitably you participate in the exploding telecommunications marketplace.



**CEAC, INC.**

1500 East Conecuh · Union Springs, AL 36089  
(205) 738-2000

AMERICAN MADE PHONES REMANUFACTURED TO AMERICAN TELCO SPECIFICATIONS



## Nortronics intros computer care system

MINNEAPOLIS—Nortronics recently introduced its first computer maintenance product line.

It includes model CMP-144 computer cassette head & capstan cleaner; models CMP-145 and CMP-148 floppy disk head cleaning systems for 5¼-in. and eight-in. sizes, respectively; model CMP-160 anti-static CRT screen cleaner; model CMP-161 computer environment anti-static spray; model CMP-162 computer head spray cleaner; model CMP-205 computer head degausser; model CMP-211 computer media bulk eraser; model CMP-230 computer cassette tape bulk eraser; model CMP-235 mini/micro cassette tape eraser, and model CMP-400 floppy cleaning diskette software.



Nortronics cleaning system

Model CMP-415 floppy cleaning diskette dispenser; model CMP-507 computer head cleaning wand and swabs, and model CMP-905 voltage monitor and surge suppressor were

also introduced by the firm.

The CMP-145 floppy disk head cleaning system is a program-driven, non-abrasive, wet cleaning system which removes dust, dirt, smoke particles and oxide deposits from disk read/write heads, said maker. The unit offers four cleanings per diskette.

Model CMP-507 digital computer head cleaning wand and swab kit includes a bendable, ABS cycloc plastic wand and 21 foam swabs. The seven-in. wand is designed to reach even highly concealed digital heads, such as those used in DC100A and DC300A cartridge drives.

Nortronics, Recorder Care Div., 8101 Tenth Ave. North, M., Minneapolis, MN 55427.



Panasonic JR-200 computer

## Computer allows on-screen editing

SECAUCUS, NJ—Panasonic has entered the home computer market with the introduction of a color computer, the JR-200.

Features include a printer interface, connections for Atari-compatible joysticks, a built-in AC power supply, RF modulator and connections for a cassette player. This computer holds 32K useable RAM and 16K ROM of memory. BASIC computer language is built into the random operating memory (ROM).

Unit can be connected to most home television sets or RGB-type monitors. It is capable of generating eight colors simultaneously and can compose music or sound effects in three tones over five octaves.

The JR-200 permits on-screen editing for corrections and word-processing functions. Its multi-function keyboard is arranged like a standard typewriter. Four directional cursor keys are provided. A tone confirmation is given when the computer's keys are pressed. This can be switched off.

Options available include a five-by seven-in. dot matrix printer, model JR-P104, outfitted with a standard Centronics interface which accepts 80-column paper; an RGB monitor, model CF-1300; a 2400-BAUD cassette deck, model RQ-8300; an RS-232 interface, and an acoustic telephone modem. A floppy disk drive will be introduced at a future date.

Panasonic, One Panasonic Way, M., Secaucus, NJ 07094.

## Personal computer has soft rubber keys

ELK GROVE VILLAGE, IL—The VZ100 personal computer from Video Technology (U.S.) has a 3K byte random access memory and built-in



VZ100 computer

BASIC universal computer language.

Unit includes a full size, professional style, movable-key keyboard with soft-rubber keys arranged to avoid errors. This model can use any cassette tape recorder as a memory storage.

As user skill increases, the VZ100 can be expanded. A range of peripherals includes 16K memory expansion, 64K memory expansion, joysticks, a printer, light pen, modem, disk drives, bar code reader and a monitor.

In addition, a full line of software is available.

Video Technology (U.S.), Inc., 2633 Greenleaf, M., Elk Grove Village, IL 60007.



Phone-Mate IQ 2845

## Machine records messages remotely

TORRANCE, CA—A new answering machine from Phone-Mate, the IQ 2845, utilizes the Telelogic micro-computer to provide features like beepless remote message change, which can record outgoing messages remotely.

In addition, an electronic digital display times outgoing messages, shows the number of calls received and diagnoses errors. A full message tape indicator informs callers when the message tape is full.

Phone-Mate, 325 Maple Ave., M., Torrance, CA 90503.

## NOTICE TO ALL RETAILERS

TIMEX Corporation periodically makes available promotional allowances and aids to all retailers of its products for promotional efforts including media and circular advertising. To obtain information about these promotional opportunities, which are available to both large and small retailers, write for complete information.

Co-op advertising allowances available on:

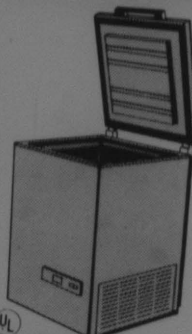
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## YOU GET MORE WITH Avanti 4.7 Cubic Feet Deluxe Chest Freezer

Thermostatic control. High-density foam thin wall insulation. Convenient sturdy lift-out basket for often used items. Spring-loaded hinges for easier opening and closing of lid. Hammered aluminum finish inside.



### Deluxe Counter-High Freezer

Thermostatic control. High-density foam thin wall insulation in cabinet and door. Flash freeze shelves. Convenient storage or drip pan. Additional storage on door (3 shelves.) Convenient front opening. Laminated walnut-grain table top. White steel exterior.



See us at the C.E.S. Show  
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## AVANTI PRODUCTS

Division of the Mackle Company, Inc.  
1970 N.W. 70th Avenue, Miami, FL 33126/(305) 592-7830

## Cobra introduces radar detector

CHICAGO—Cobra is entering the radar detector business with model RD-4000. The unit is a double-conversion superheterodyne unit with X and K band capabilities.

The product can be mounted on a visor or dashboard, with bracket and Velcro strips provided. A detachable cigar lighter power cord with polarity reversal connector is also supplied.

Controls and indicators include an alarm lamp, audible alarm and a "signal sensor" LED, which Cobra said distinguishes true police radar signals from false ones. A power-on LED, range meter, city/highway selector and an on/off volume control are also featured.

A 28-page instruction manual comes with model RD-4000. Measuring five by 5¼ by 1-5/8 in. high, the detector's suggested retail price is \$209.95.

Cobra Communications, a division of Dynascan, 6460 W. Cortland St., M., Chicago, IL 60635.

MERCHANDISING

MAY, 1983

A GRALLA PUBLICATION

# Merchandising

JUNE 1983

**Home and Auto Electronics • Housewares • Major Appliances**  
THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALEERS AND DISTRIBUTORS

## **CES CELEBRATES AN EXPLOSION OF PRODUCTS**

**Computers  
Aim Straight  
At The Mass Market**

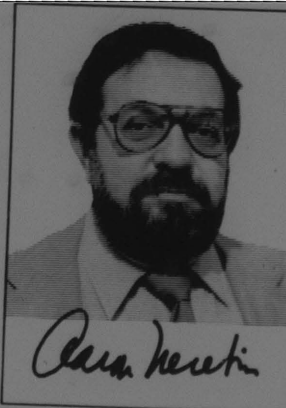
**DAD Moves  
From The Lab  
To The Store**

**Talented  
Telephones  
Turn Out In Scores**

**Video Vendors  
Live Up  
To Their Promises**

Also in this issue:

**It's Turnaround Time For Major Appliances**



**Editorially Speaking**

## Getting intimate with your computer pals can help add to your surge in electronics

**I**t's come-of-age time, folks. And then some!

As we enter the mid-year show period, computers and telephone products, which have been on a relatively local track over the past decade have gone express this year.

The CE Show is going to be a virtual riot of retailers searching out the best telephone products and deals, looking to replenish their video inventory (brother, can you spare a VCR?) and making a mad dash from booth to booth in attempts to understand and get into the computer hardware and software business. Add to this a new rush on color TV's and a very definite emergence of interest in digital audio and you've got the makings of one heckuva show (with retailers in droves attending) and sensational prospects for the second half of 1983 and 1984.

Each of the aforementioned products requires a certain amount of retailer know-how in order for them to mesh with the consumer but, for the most part, their functions are clear-cut and easily demonstrable and their being on the floor does not present a problem of any magnitude. EXCEPT FOR THE RAMS, ROMS, BYTES, MODEMS, DISKS, ETC., REPRESENTED BY THE COMPUTER!!!!

So, with all due respect to the importance of virtually all consumer electronics in their search for new buying and selling levels, I'd like to talk about this "newest" and most complicated phase of business.

Bill Turner, president of the consumer electronics group of Texas Instruments, has said, more than once, that the future of the comparative lower end of the computer business lies strictly in the hands of the "traditional" electronics dealer. Most of the other computer firms who have had experience with these retailers appear to agree. So, if this future does, indeed, lie in your hands, why are you having so much trouble meeting your obligations?

Many retailers, big, middle and small alike, remain confused by the computer surge. They don't understand the product, they don't understand the direction, they don't understand the technological aspects and they don't understand the investment needs to properly get into the business. Yet they are being hyped as the future of the business. We're watching a peculiar maze being constructed that may find many dealers entering but unable to exit because they never took the time to LEARN what the business is all about and how they have to respond to supplier and consumer alike in order to entrench themselves in the field.

The computer business is a learning experience. There's no two ways about it. The retailer who gets into it on a half-stake basis ("I might as well carry something") without knowing why he's in it is going to be using his computer to tabulate some heavy losses. Computers, peripherals and software, more than any other con-

sumer electronics products, require training, education, awareness and the ability to be instantly responsive to a consumer who may want but is also equally confused. Eliminate any one of these phases of computer understanding and you seriously damage your potential (which is incredible) for a computer business.

There are a number of suggestions we might make, based on our attendance at computer shows and our discussions with retailers, which might be the process of proper entry into computers. The first (our pride is showing) is to get your hands on and read cover-to-cover the excellent section on buying and merchandising computers which our editors put together in the May issue of *Merchandising*. I think it is one of the best guides around for delivering straight, uncomplicated talk about the potentials and the pitfalls of retailing computers. The second is to determine from your computer product suppliers and potential suppliers the kind of training program and selling aids they offer as part of their distributor/retailer program. The third is to get you and your staff into a learning mode (or hire someone with computer smarts) so that you can most effectively deal with and impress the customer.

The excitement is building. Business is building. Products are building. Let's hope your building plans are meshing with them. It sure looks good!



**From the Capital**

## Congress debates the powers of the CPSC; outcome affects both suppliers, shoppers

**T**he future powers of the Consumer Product Safety Commission (CPSC) are the center of a hot debate in Congress, and the outcome of the argument is sure to touch on both shopper acceptance and on the corporate coffers of many home appliance and electronic items. The agency's charter is up for renewal this year, and consumerists and industry groups are at loggerheads over at least two key issues:

- How free should the CPSC be to make public complaints it gets indicating hazards in particular models of particular brands?
- What authority should the CPSC have to punish companies that do not make full disclosures of hazards in their products?

Right now, the commission releases very little about individual complaints about products: it will give out some data to those who request it under the Freedom of Information Act, but usually with the names of both the manufacturer and product brand deleted.

The only exception is where there is persuasive documentation to the hazard report, and those instances are few. Most complaints are simply phone calls or letters from consumers complaining of smoke or melting or other problems—most frequently with kitchen or home entertainment appliances.

The commission wants the leeway

to make a lot more available, once the company involved has been given advance notice and the person getting the information understands that the commission is not vouching for the reliability of the reports. But a business coalition—with General Electric as one of its major members—is fighting the move, and wants language written into the current reauthorization bill that would specifically curb the release of such consumer complaints.

On the other issue, the commission on April 1 formally ruled that it has the authority to impose civil penalties on companies, but that ruling has not been tested in court. Robertshaw Controls Co., which could face a fine of as much as \$500,000 for allegedly not fully reporting the scope of problems with a liquid petroleum gas water heater control the company stopped making in 1957, is challenging the commission's authority to levy such fines. And Robertshaw has led the National Electrical Manufacturers Association into being a prime opponent of moves to give the commission unequivocal authority to impose such penalties in the legislation which is still pending.

But, earlier in CPSC history, other electrical manufacturers accepted the commission's authority to impose such penalties, and paid them, starting with \$325,000 (the second most ever collected in a single case) forked

over in 1977 by Corning Glass Works to settle claims arising out of problems with its glass coffee pots. The following year, Pittway Corp. paid a \$100,000 penalty in a smoke detector case, and both North American Systems' Mr. Coffee and Gillette's Braun have paid penalties in disputes involving hazard reports on electric coffee makers. Emerson Electric paid \$420,000 in a case involving controls much like those in the Robertshaw case, and similar controls are also involved in a pending case against Honeywell.

Quite apart from its reauthorization battles, the CPSC's activities are also being shaped by money woes. The agency has a personnel ceiling for fiscal year 1984 of 595 employees, down from 889 in fiscal 1981. And there is pressure from the Office of Management & Budget to cut even more. Its scientific staff has been cut 32 percent since 1980. And it is calling off major investigations because it simply does not have the money to run them, including one which is looking into the failure of home circuit breakers.

As the 1984 elections near, some political pundits expect the pendulum in Washington to swing back towards more support for consumerist activities. What happens with the CPSC reauthorization bill should provide a clear signal of whether such a shift is likely.

MERCHANDISING



Last year you helped us sell over \$75 million worth of Imagic video game cartridges. And if you think that's good, wait until you see what we've got planned for this year. New games for Colecovision™, VIC-20™, Atari® 2600™, Atari 400/800™/1200XL™, and Intellivision®. Our first arcade licensed games. And some very inventive ways to take advantage of the home computer revolution. Come see us at CES, booth #5070. And thanks again. Thanks a million.



© Imagic 1983

**THANKS A MILLION, MILLION, MI  
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**Finally, a home computer system  
designed to speak your language.**

# PROFITS

# The Aquarius Home

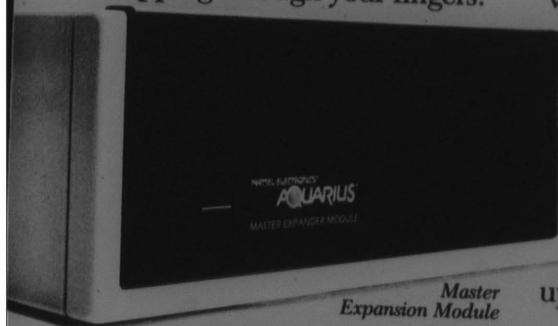
Our competition spends a lot of time talking high tech and low prices. But they seem to overlook another important subject.

You.

As the prices of their keyboards get lower and lower, your profit margins can become more and more marginal. So, while they're discounting keyboards, it can be at your expense.

## OUR SYSTEM WORKS FOR YOU.

If you get your hands on the Aquarius™ Home Computer System, your profits will stop slipping through your fingers.



Master  
Expansion Module



Home Management  
System



4 Color Printer

That's because there's a system behind our system. And it was designed to make you money.

We started with Aquarius™. A simple computer with a simple goal. To drive customers into your store.

Now, we're introducing Aquarius™ II.\* To keep them coming. It's got a full-size typewriter keyboard, Extended Basic and 20K

RAM on board. That means stepped up features and stepped up price points.

Which should translate into stepped up profit margins for you. And we're taking even

more steps in that direction. By updating our computers and consistently introducing new products designed to work with them. And they'll all be programmed for profits.

## NOT JUST THE SAME OLD LINE.

As you can see, there's a lot more to our system than just our

keyboards. There's a four color printer and a 40-column thermal printer. A data recorder for easy storage.

A Mini Expander with two hand controllers for enhanced game play. And snap-in



Data Recorder

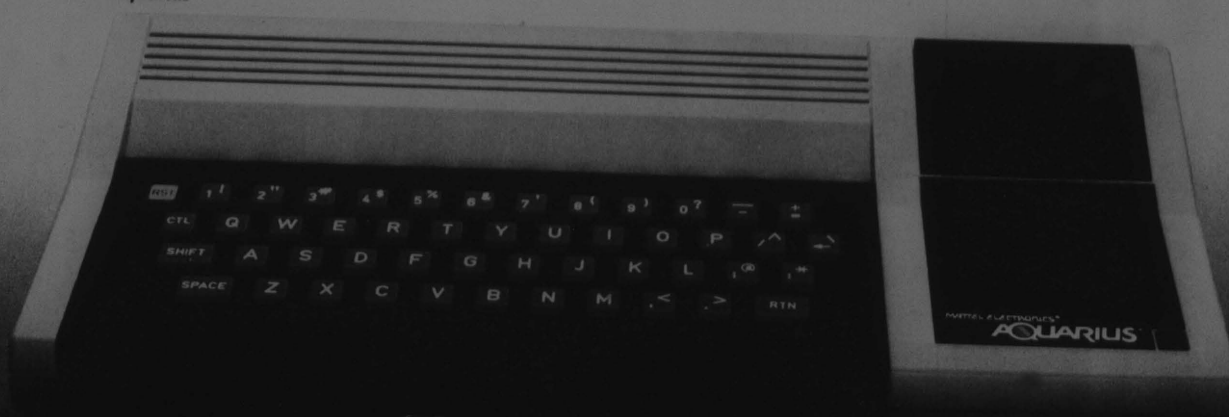


Thermal Printer

4K and 16K memory cartridges. Besides all that, we've got a Modem\* that can turn a phone into a resource center.

A home management

Aquarius





# ne Computer System.



Complete Home Computer System

module\* that can program electrical appliances. And a Master Expansion Module\* for increased memory, disk drive and CP/M compatible software. And speaking of software, Aquarius will have a complete library covering subjects like home management, self-improvement, education and

of course, video games.

We're also introducing the Aquarius™ COM/PAC, a complete home computer system in one simple package.

It comes with the Aquarius™ keyboard, a printer, a data recorder and a Mini Expander with hand controllers.

All designed to retail around \$400. It's a single SKU loaded with profitable possibilities. And we'll be helping you create your own promotional packages to create even more profits.

## A SYSTEM TO SELL THE SYSTEM.

We won't keep all this good news to ourselves. We'll

run network television and national print. And we'll help sales soar with airport displays. In-store displays. POP. Ad slicks. Ad

allowances.\*\* And a promotion that will surprise everyone.

Then, we'll send our message home by sending your customers our bi-monthly newsletter featuring new Aquarius products.



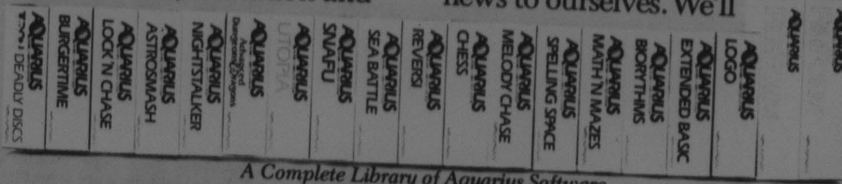
4K Cartridge

16K Cartridge



So, call your Mattel Electronics representative about the Aquarius Home Computer System. If money talks, we speak your language.

**MATTEL ELECTRONICS™**  
**AQUARIUS™**  
HOME COMPUTER SYSTEM



A Complete Library of Aquarius Software

Aquarius II



## Keeping its pledges, video industry readies random access CED, Betamovie, other intros

By Richard A. Marini, sr. assoc. ed.  
NEW YORK CITY—Never say the video industry doesn't keep its promises.

Retailers, their appetites whetted at the January Consumer Electronics Show in Las Vegas, are about to be inundated with any number of new video products upon their arrival in Chicago. In many cases, these goodies will come as no surprise since they've been rumored of, hinted at and talked about for six months or more.

Of course this is not to say that nothing new is in store for CES visitors. A lot of manufacturers have played their hands close to the vest, revealing lines sometimes only days before the show opens. But for the most part, what suppliers are going to unveil in Chicago will be just what they've been promising for the past six months or so.

(For a look at what video software suppliers have planned, see accompanying story.)

### Interactive CED bows

One of the longest-awaited products in the video world has been the



**COMPETITIVE PRICING** will spearhead Panasonic's 1983 line, according to Matsushita chairman Masaharu Matsushita.

interactive, random access CED videodisc player. Just such a unit will highlight RCA's lineup of CES goods, although it won't be available to dealers until the fall. Pricing also won't be set until then, although an RCA official at the company's annual sales meeting in Las Vegas hinted at an eventual price of about \$550.

With this random access player, RCA and the rest of the CED camp finally have hardware that is truly competitive, in terms of functions, with the laserdisc player. The player will also help spearhead RCA's efforts to reposition itself, via new products, technology and commercials oozing high tech, as the quality consumer electronics manufacturer in the business.

This repositioning will be accomplished by the firm's "excellence, the high-perceived value of [the company's] products, [its] ability to react to the demands of the marketplace and a strong dealer relationship," according to Arnold Valencia, RCA president. Although no one at the meeting said as much, this repositioning will also have to come at the expense of Sony, if it is to happen at all.

RCA's other star will be its Digital Command Center remote control which eliminates the need for three separate controls to operate RCA's TV's, VCR's and random access disc player.

The beauty of the concept, of course, is that the purchaser of an RCA TV (which comes with the Digital Command Center) has a built-in reason to at least seriously consider RCA when getting into the market for a VCR or disc player.

Other manufacturers have developed similar remotes in the past, although none has ever promoted theirs as heavily as RCA promises to.

As for pricing, RCA products will average 1 1/2 to two percent increases over similar products from last year's lines, according to Valencia.

"Competitively priced products not

based on price alone," is what Panasonic aims for in its 1983 line, according to Matsushita chairman Masaharu Matsushita. In a special press briefing at the company's national sales meeting, he said Panasonic and Matsushita suffered a serious blow when RCA defected to Hitachi for VCR's. But, he added, the company will overcome this by adding features to new products. Funding will come from part of the \$600 million Matsushita plans to budget for research and development in 1983.

Pricing is also the major story behind Sony's 1983 products. As reported in *Merchandising's* Video Newsline column in May, the company in recent years has seen the disparity between its own prices and those of its competitors increase until it topped 30 percent or more. This year, according to Sony Consumer Products president Joe Lagore, that disparity has been pared down to 15 to 20 percent.

Other highlights at the Sony suite at the Westin Continental Plaza will undoubtedly be the re-unveiling of Betamovie. (While the model in Las Vegas was the Betamovie 1000, the model in Las Vegas was the Betamovie 1000.)

(Continued on page 26)



**RCA'S REPOSITIONING** is designed to establish the company as the quality electronics manufacturer, according to Arnold Valencia, president.

## Previd prices continue to drop on future best sellers

NEW YORK CITY—On the pre-recorded video software front, new titles keep coming, while prices continue to drop and promotions abound. Suppliers are obviously interested in attracting the hordes of new VCR owners that have appeared since January.

Some new releases destined to be future hits include: The Verdict, starring Paul Newman from CBS/Fox; Warner's High Road to China with Tom Selleck and Bess Armstrong; Sophie's Choice, starring Academy Award winner Meryl Streep, and last year's surprise comedy hit, Porky's.

Of interest to fans of the laserdisc format is the news that Warner Home Video had decided to press its first 12

laser titles. These include such other-format hits as the two Superman movies, Arthur and, for Clint Eastwood fans, Any Which Way You Can and Dirty Harry.

Paramount Home Video, which started the whole low-priced software revolution, continues to lead the pack, releasing 48 Hrs., starring Nick Nolte and Eddie Murphy, at \$39.95, according to Tim Clott, vice president of sales and administration.

More suppliers are expected to follow Paramount's pricing lead, although others still resist. Walt Disney Home Video, for example, continues to lower its prices on selected titles for limited periods only. The studio's All-Star Animation Sale, for instance, offers six titles priced at \$29.95 or \$39.95 each, but only through the summer.

As a further impetus to sales, purchasers of Alice in Wonderland, The Many Adventures of Winnie the Pooh, Pete's Dragon, Bedknobs and Broomsticks, Goofy Over Sports or Storybook Classics will also receive a free baseball cap.

This strategy, of course, is based on Disney's belief in the timelessness of its titles. Richard Fried, marketing manager, retail products, suggested, however, that a different tack may be necessary to promote the company's more traditional films, such as Tron, Tex and Something Wicked This Way Comes, the last currently in theatrical release. Fried also hinted at the possibility of other promotions for such already-released-on-video classics as Mary Poppins. He refused to give further details.

In an effort to clean out its catalog and take advantage of the coming mushrooming in the number of VCR households, CBS/Fox has decided to temporarily "retire" several dozen of its titles. Both movies and non-movies, these titles have recently slowed in sales.

Company officials said they hope to end the so-called "moratorium" and re-release the titles sometime in 1984 or after, when, they hope, the titles will create the same excitement among new VCR owners as they would if brand new.

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**Editor's Note:** CES video coverage will be continued in the July issue of *Merchandising*. For day-to-day coverage of the show, be sure to read *Merchandising: Extra*, Sunday through Wednesday in Chicago.

# PERSONAL ELECTRONICS '88

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## Vendors at CES come out of the starting gate with innovations, ad plans, p-o-p displays

By Bill DeSiena, associate editor  
NEW YORK—Personal electronics buyers at this month's Consumer Electronics Show are going to have a lot of territory to cover. Not only has McCormick Place West been opened for computer hardware and software, but the number of telephone vendors in attendance has multiplied as well.

In addition, each manufacturer is going to be exhibiting new products chocked full of technological changes. And to back it up, there will be new advertising plans, promotions, packaging and point-of-purchase displays. Furthermore, the manufacturer turf has changed since last encountered in Las Vegas in January. New alliances have been formed. Some old familiar names have surfaced in totally new categories. And other news is breaking with no end in sight.

### Phone on a chip premieres

In telephones, American Telecommunications Corporation (ATC) falls among the first vendors to reduce the number of components in home product. Its Allegro residential phone and Voice Express business unit use an integrated circuit that is really a complete telephone on a microprocessor chip.

ATC will be able to offer American-made telephones with Bell-like quality at a lower price, said Robert Lee, vice president of engineering.

The company's promotion for its Darth Vader speaker phone is getting help this summer from the release of Return of the Jedi, the third movie in the Star Wars series, Thomas Eisenstadt, vice president of sales, told *Merchandising*.

Ford Industries, suppliers of the Code-A-Phone answering machine, was recently purchased by technology giant Conrac Corp. The company will continue as a Conrac subsidiary under the name Code-A-Phone.

Among the new lineup of answering equipment from the firm is the 2500 microcassette series, named to celebrate the firm's 25th year in the industry. Consumer advertising plans are in the works, noted Steve Peake, retail sales director, but had not yet been firmed up at press time.

Moog Music, Inc., well-known makers of professional synthesizer instruments, is digging deeper into



BUYERS WILL COVER more ground than ever before at CES with the continuing growth of telephone, computer and videogame vendors in the market.

the telephone market with its Operator advanced electronic phone. Its telecommunications division is also known as the producer of the Phone Controller, one of the first memory dialer units on the market. Marketing consultant John Gunning, president of Syndicated Marketing, said the phone was designed to compete with units like American Bell's Genesis and Technicom's Smartset. Discount purchase structure and co-op advertising specifics are in the works, Gunning added.

Beefing up its point-of-purchase displays is Mura Corp. Telephone merchandisers are ready for shipping for the Muraphone MP-600/601 cordless unit, Qwik QK-1.2, QK-2.0 and QK-2.5 corded extension models. The Qwik 1.2 display is designed to accommodate blister-card packaging. Three more displays, for the Muraphone MP 800/801, 650/651 and QK-3.5, will be rolled out shortly.

Cobra Telecommunications Group of Dynascan's Consumer Product Division has come up with a permanent floor display for dealers. Hands-on product showcasing and locked storage space beneath are built into the unit. The cost of the display, \$215, is chargeable to co-op.

### New software introduced

There is also a lot of news in the

computer/videogame software market.

CBS Software and Children's Computer Workshop are teaming up to develop computer programs for the age eight-and-up home market. CBS will market and distribute worldwide educational titles produced by CCW. Edmund Auer, president of CBS Software, said that programs would be rolled out by the summer of 1984, but that it was too early to decide what systems would be targeted for the software.

The software division has passed its responsibility for developing computer game software to CBS Electronics, formerly CBS Video Games. CBS Software will now concentrate on developing and marketing educational, personal enrichment and home management programs for computers.

Purchasers of a BurgerTime game from Mattel, due out this summer, (Continued on page 124)

**Editor's Note:** CES personal electronics coverage will be continued in the July issue of *Merchandising*. For day-to-day coverage of the show, be sure to read *Merchandising: Extra*, Sunday through Wednesday in Chicago.

## Question:

**How do you raise the line on profits?**

## The Answer:

**The top-of-the-line Webcor Zip 512.**

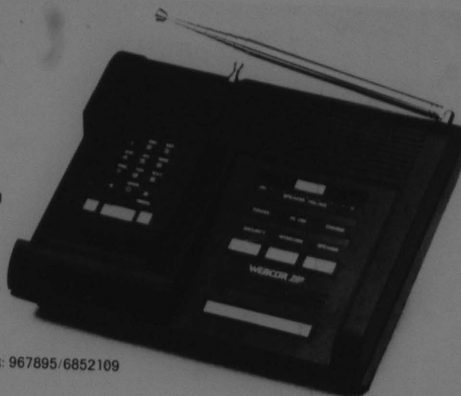
The Webcor Zip 512 digitally encoded cordless telephone system with mini handset is a 3-in-1 profit maker...a dual range cordless phone, hands-free speaker phone, and free intercom system—with lots more features.

It's the hottest thing going in telecommunications today and a must for bottom line profits. No question about it.

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## RAM PLUS.<sup>TM</sup>



A breakthrough to  
turn on the buying power  
of 10,000,000 Atari VCS<sup>TM</sup>  
owners.

If you're looking for sure-fire sellers these days, start with a product that gives Atari<sup>®</sup> VCS<sup>™</sup> owners what they want: a line of exciting new

games with graphics to rival any system around, but made for the Atari VCS. RAM PLUS<sup>™</sup> games.

At their heart, the RAM PLUS power chip, a breakthrough from the CBS Technology Center. It triples the amount of random access memory (RAM) and fixed storage memory (ROM). So RAM PLUS technology allows high-resolution graphics, more game screens, more realistic and complex action, and arcade-quality sound.

You'll see our first two marvels, WINGS<sup>™</sup> and TUNNEL RUNNER<sup>™</sup>, in "3-D" action at the June CES, booth 5172. Supporting them will be hard-hitting TV and print ads to bring home the excitement of RAM PLUS technology.

All this makes RAM PLUS games the obvious choice for 10,000,000 Atari VCS owners. We think they'll buy a breakthrough when they see one.



TUNNEL RUNNER<sup>™</sup>: Exciting "3-D" effects to pull them into the maze and into the store.



WINGS<sup>™</sup>: Highflying "3-D" effects to put them in the cockpit and the sales column.

**CBS Electronics**  
Where the excitement  
never ends.<sup>SM</sup>

## PERSONAL ELECTRONICS

# Music store becomes attuned to videogames profitability

By Debbie Rosenblum, field editor

CANTON, OH—For years, Camelot Music and Grapevine Records & Tapes stores have been a dominant force in the retail music industry. And if all goes according to plan, the 139-unit chain will soon hold just as strong a position in the videogame business.

After testing the waters of this volatile market, Camelot Enterprises, Inc., the stores' parent corporation, decided the videogame phenomenon was too big to pass up.

But rather than plunging into the business, Camelot moved in gradually, aiming to have a full selection of game hardware, software and peripherals in all outlets by the end of February of this year. Due to careful planning and a lot of hard work, that goal was achieved.

Though it's only been a year and a half since its official entry, Camelot has already made an impressive dent in the chain's 121 markets. In that short time frame, game sales have skyrocketed to roughly \$10 million, about 10 percent of the corporation's overall volume.

Among the factors which led to such fast growth were the company's innovative marketing techniques, including a radio commercial and display materials produced in-house, as well as an ongoing sales training program.

### Eased in slowly

"In December of '81, we made the commitment to bring game cartridges into all our stores," recalled Dwight Montjar, Camelot's director of video marketing. "Prior to that, we'd had them in a few test stores and some others which we later added whenever we could get product." By the end of March 1982, all stores carried game software.

The firm's decision was based primarily on two factors. "The record business was pretty flat for the most part while videogames were starting to explode," Montjar explained. "Plus we saw the videogame buyer as being the same person who purchases records and tapes—almost identical demographics. So we felt we were a logical outlet."

At that point, however, "we wanted to stay away from the hardware because of the tremendous price competition," he noted. Obviously, Camelot did an about-face.

"We changed our position because there's a strong correlation," Montjar said. "People tend to go back to where they bought their hardware to buy their software."

Today, all 139 stores in 28 states carry the Atari 2600 Video Computer System, Mattel Intellivision II, ColecoVision and the Atari 5200 "when we can get it," Montjar pointed out. "It hasn't been that readily available." In addition, each outlet stocks 85 titles for the four systems as well as a variety of peripherals.

Thanks to its many mall locations, Camelot had a little help penetrating the game market. (All 136 Camelot Music stores are situated in enclosed shopping centers; the three Grapevine units are freestanding.)

"We are parasites. We feed off the mall concourse. There's no question about it," Montjar admitted. "But we

really had to create our own exposure for the games, go out and tell people we carried them. A lot of people simply don't think of a record store as being an outlet for videogames. So we had to overcome that stigma."

### Heavy advertisers

Like most other game dealers, Camelot relies heavily on advertising to increase consumer awareness and draw traffic. Approximately 80 percent of its ad budget is spent in the

(Continued on page 57)



THE VIDEOGAME PHENOMENON was too big for Camelot Music and Grapevine Records & Tapes stores to pass up. The firm moved gradually into the business, and now carries a full selection of hardware and software.

**MIDLAND**  
BUILT TO  
AMERICAN  
TELEPHONE  
COMPANY  
STANDARDS

**Midland continues its tradition of quality and value with an exciting new line of telephones!**

Just in time to take advantage of rising consumer demand for these popular products. Your customers will give this new Midland line their stamp of approval!

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- ▲ 5 New precision built Cord-Free™ models
- ▲ 3 New Clock/Radio Telephone Systems

Midland has them all. Fully modular one-piece and two-piece electronic autodialers. Full-featured AM-FM alarm-clock/radio telephone systems. Long-range Cord-Free™ autodialers with intercom capability.

The new Midland telephones are sleek, compact, decorator-styled, built to the very highest standards of the industry.

Most-wanted features include privacy muting, finger on-off, switchable touch-tone or rotary dialing for compatibility with all telephone systems. Models for every pricing point.

And, Midland backs you with a comprehensive co-op advertising program, hard-selling four-color packaging, a full line art/ad package, radio scripts, and four-color point of purchase material.

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Act now! Don't accept anything less than The New Midland Telephone Line—built to American telephone company standards! For further information, write Midland Consumer Products Marketing Department 216, Midland International Corporation, 1690 N. Topping, Kansas City, Missouri 64120, or call (816) 241-8500.

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A member of the Beneficial Corporation Family

\*For a free copy of Midland's Limited One-Year Warranty, write to Midland Consumer Products Department.

SEE MIDLAND'S ALL-NEW TELEPHONE LINE AT BOOTH #206, JUNE CES



## Unique radio commercials draw attention to videogames

(Continued from page 55)

print media; the remaining 20 percent on the broadcast media, predominantly radio.

At least once a month, the company runs a chainwide newspaper advertisement. Meanwhile, the majority of local advertising is done in conjunction with the malls.

"A lot of our lease agreements stipulate that we must participate in a certain amount of mall advertising," Montjar pointed out. "It's either a supplemental newspaper tabloid or a newsletter that's sent to homes in the mall's trading area. So much of our local advertising is eaten up from that end."

Any other local advertising is done only to support a district or single-store promotion. But in both chainwide and local situations, the ads are usually page-dominant verticals divided 50/50 between videogames and records and tapes.

As far as radio advertising is concerned, "we try to stay away from the graveyard shift," noted the company's publicist Geoffrey Mayfield. "We like to go with run-of-schedule between 7 a.m. and 1 a.m. We get a nice selection of time slots and our dollars go further than with fixed time."

Of all the radio commercials which Camelot has aired, the most innovative and perhaps the most effective was a spot produced in-house in conjunction with Imagic. "We ran a program last August with Imagic which at that point had never conducted a major radio ad campaign," Montjar said.

Mayfield added, "The unique thing about the commercial was we actually used the noises that the games make as background. Throughout the 60 seconds, you heard the sound effects of the two featured games—Cosmic Ark and Atlantis. And we matched those to the narration to give the message a little more punch."

According to Montjar, it was "extremely successful. We didn't sell a ton of product, but you have to look beyond the immediate numbers for a true measurement. That commercial gave us more exposure, we think, than many of our other ads because it was so different. When something is

unusual enough, people take notice."

Another Camelot innovation that's worked quite well is in-house produced blowups of game cartridge boxes. "We took game boxes and just blew them up 10 to 20 times and put them in the stores," Montjar said. In most outlets, the blowups hang from the ceiling; in others, they're stacked near the video department.

"There's still a surprising number of people who haven't come into our stores to purchase games because they don't know we have them," he explained. "These have helped attract people passing by and make them aware we do sell games."

Not only have the blowups captured the attention of mall shoppers but vendors as well. "A lot of manufacturers have supported us. They think the boxes are a great merchandising tactic. In fact, 20th Century Fox thinks they're such a good idea, it wants to buy some from us," Montjar said.

### Training helps

Of course, advertising and in-store displays and signage can only do so much. Ultimately, it's up to the store personnel to sell the products to consumers. That area has also been covered by Camelot.

Because the stores' history is rooted in music, the company has instituted an ongoing sales training program to make sure salespeople are up-to-date as much as possible on various aspects of the business.

"We've had to educate our staff about all the different game systems: ColecoVision isn't compatible with Atari and so forth. It hasn't been easy," Montjar commented. "That's why I put together this newsletter once a week."

Called Videogames Points and Plugs, the piece covers everything from new products to market trends to

(Continued on page 125)

## TECHNICO UNPACKS THE SUN

And sales are heating up all across the country. This bright new line of solar-powered calculators is backed by the world-wide reputation of our parent company, Inventa. So you can rely on our quality, price and delivery. And be sure to get complete details of our unique LC program. Nobody delivers a line of solar-powered calculators like Technico.

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In Pursuit of Perfection



### VIDEO GAME



BLOWUPS OF VIDEOGAME cartridge boxes are stacked near the video department or hung from the ceiling in Camelot Music stores.



# WHEN YOU'RE IN THE ENTERTAINMENT BUSINESS, IT'S THIS: YOU NEED A WIDE RANGE OF PRODUCTS

If there's any secret to the entertainment business, it's this: Make sure there's something for everyone.

Which, as you can see, is precisely the thinking behind Mattel Electronics for 1983.

For video game fanatics, we've got a great new video game system. And some hot new arcade titles to play on it.

But if they want more than games, they can turn it into a sophisticated computer system. Or a music synthesizer.

We're not leaving out people with other systems, either. To go along with our software for the Atari® 2600, we're making software for the Apple® II and the IBM® Personal Computer.

We've even got something for people with no system at all. Our portable electronic games and our equally portable electronic drums.

But no matter how much we offer your customers, at Mattel Electronics we're planning to offer you even more.

One of the most ambitious (and expensive) advertising plans we've ever created for consumer electronics.

Because there's only one thing more important than making something for everyone. And that's making sure that everyone knows about it.

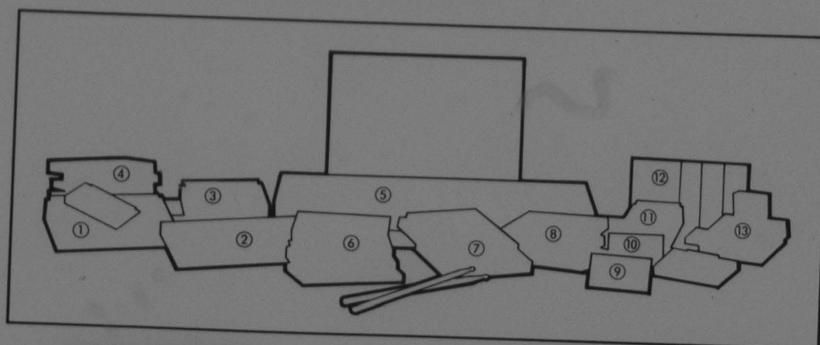
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# ENTERTAINMENT BUSINESS, A RANGE OF PERFORMERS.

① Intellivision® II Master Component. ② Computer Keyboard. ③ Computer Adaptor ④ Intellivision® Software—with proven sellers like Lock 'N' Chase™\* (over a million copies sold) and Night Stalker™, our great sci-fi game. ⑤ Intellivision® Music Synthesizer ⑥ New Intellivision® Software—with hot new arcade games like BurgerTime™\* And watch for new titles like Bump 'N' Jump™\* and Masters of the Universe™ ⑦ Synsonics™ Drums. ⑧ New Apple® II and IBM® Personal Computer Software—including BurgerTime™\* Lock 'N' Chase™\* and Night Stalker™ ⑨ BurgerTime™\* Portable Electronic Game. ⑩ Masters of the Universe™ Portable Electronic Game. ⑪ IntelliVoice™—Shown is restyled prototype for Intellivision II—only model #3330 (original version) intended for availability for 1983. ⑫ M Network™ Software for the Atari® 2600—Super Challenge™ Football, Dark Cavern™, Super Challenge™ Baseball and Air Raiders™. ⑬ Intellivision® System Changer. ⑭ Synsonics™ Rhythm Maker™ drums.



## MATTEL ELECTRONICS®





GETTING BEHIND THEIR PRODUCTS, Comdex exhibitors are offering dealers floorplanning, point-of-purchase materials and consumer ad campaigns designed to build traffic.

## PERSONAL ELECTRONICS

### Comdex attendees preview CES computer product intros

By Lee Rath, editor

ATLANTA—Attendees at Comdex/Spring '83 got a sneak preview of a number of computer products that will be shown at this month's CES as well as a chance to see some higher-end items that will not be shown at the June show in Chicago.

What was apparent in Atlanta was that a tremendous amount of hardware continues to be rushed to market, leading many manufacturers to seek new channels of distribution.

In addition, they are getting behind

their product with merchandising aids such as floorplanning, point-of-purchase materials and consumer ad campaigns designed to build traffic.

NEC started shipping its PC-6000 personal computer, aimed at the home market, at the end of March to dealers in Ohio, northern California and the Seattle area. Michigan and the Chicago and Los Angeles markets are slated to come on stream this month, according to Thomas Priestley, general manager, NEC Home Electronics (USA), Inc.

"We're very pleased with the way it's been selling," he said of the unit, which offers 16K of RAM memory expandable to 32K for a suggested retail price of \$349. Rollout is being handled on a market-by-market basis. Targeted first were regions where potential customers have exhibited a strong interest in computers and where NEC has a base of good, enthusiastic distributors. The company is also talking directly with a number of mass merchandisers, although, Priestley said, no commitments have yet been made.

Also doing well for NEC is the PC-8800 personal professional computer. The unit, which carries six price points from \$2,497 to \$3,997, depending on which features are included, will be spilled through August with salesmen receiving \$25 for each unit sold, Priestley reported. The top five retailers will then win a trip to Tokyo. "We're trying to get the excitement going," he said.

The company has a new product, the PC-8200 portable, ready to be shipped in August. The unit offers 16K of RAM expandable to 64K and 32K of ROM expandable to 64K. It will be bundled with BASIC, word processing and telecommunications software.

At Franklin Computer Corp., director of marketing Edward Golderer announced that the company has joined forces with Borg-Warner Acceptance Corp. to offer a floorplanning program for the Ace Pro Professional Computer System.

Retailers can get their first 60 days free, said Douglas Reed, regional manager, Borg-Warner, and pay an average daily balance after that. In addition a special program has been put together for retailers selling computers to schools. Terms can be tailored to meet the needs of local districts.

Golderer noted that Franklin is conducting a string of classes across the country over the next six to nine months. The two-day classes will start this month in Los Angeles and will accept 20 students each.

"We have about 900 dealers now, but we are looking for additions," Golderer said. Franklin retailers must service computers, train their salespeople and aim to sell 25 units per month within six months.

To help them out, the company launched its first end-user ad campaign this spring, hitting Time and other publications popular with businessmen. Another print campaign has been targeted for fall.

Franklin also introduced the Ace Pro package at Comdex that bundles the Ace 1000 personal computer with ACEWriter II word processing and ACECalc spreadsheet analysis for

## The Leader in Audio/Video Furniture Introduces a Quality Line of Computer Workcenters and Accessories.

O'Sullivan... For years the acknowledged leader and standard in Audio/Video furniture, now introduces a new line of computer system workcenters, printer stands and accessories... all built with the quality, styling and reliability customers have depended upon for over 28 years.

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CT720 Series

CT710 Series



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COMPUTER FURNITURE

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a price of \$1,895.

Fujitsu said it will start shipping its Micro 16 personal business computer to dealers this month. The \$3,995 product will hit 25 markets initially with 100 scheduled for the end of the year, reported Richard Kors, vice president, Fujitsu Microelectronics Professional Microsystems Division.

Dealers for the product must have an outside sales force, must offer sales training and must service the product themselves. As for Fujitsu, it is using its own sales staff. "We're looking at the long term," said Kors. "We want to build dealer loyalty, and using distributors does not win support."

The company will launch a low-level ad campaign for the Micro 16 this summer and will roll out a million-dollar effort in the fall, once the dealer network is in place. "We'll use the major business publications," said Kors, "but we're also doing some unusual things. We will advertise in airline terminals, on well-placed billboards and on drive-time radio spots—all designed to reach our business audience. We expect to reach 95 percent of our targeted market with a 25-time frequency."

Toshiba is looking to expand the distribution base for its T100 computer, reported Mark Hays, director of operations for ACS, which both markets Toshiba computers and designs peripherals for them. The company, he said, is going straight to mass merchandisers as well as to stereo/hifi dealers, computer stores and other retailers that carry Toshiba products.

Hays pointed out that the T100 is being marketed as a base for many applications. It can be used in the office or by employees who want to access their firm's computer from outside. ACS will soon make available a system that will give the T100 networking capability. "What sets this computer apart," said Hays, "are the options that are available to go with it."

Sanyo announced what it called its "IBM lookalike" at Comdex. The MBS 555, a 16-bit computer that will run IBM PC software, is slated to sell for \$995. It features 128K of memory, 160K disk storage, an 8088 CPU and comes with word processing and spreadsheet software. Delivery is scheduled for fall.

Another new entry, the Albert, was introduced by Albert Computers, Inc. The unit is Apple compatible and carries a suggested list price of \$1,595.

Hitachi is also getting ready to ship a personal computer. The MBE1600, which is expected to sell for about \$3,000, is scheduled for delivery early this summer.

Meanwhile at Spectravideo, company officials were silenced by a gag order preventing them from speaking to the press while the firm is in the process of going public. Indications were, however, that the company would be showing new product at the CES.

#### Portables get software

The big news among portable computers was that new software had been developed for several of the units.

The Epson NX-20 now has Ski-Writer word processing and Epson-Calc electronic spreadsheet available as well as a Typing Tutor program. The company has announced that

(Continued on page 86)

## Futuristic products draw crowds at Comdex

By Lee Rath, editor

ATLANTA—Thin, plasma display screens that reproduce text, drawings, even photographs in neon orange on a black background. A nine-lb. "mobile computer" with a pop-up LCD display and a built-in "mouse." These are just two of the futuristic products that drew crowds at the recent Comdex/Summer '83.

Although both of these products are being produced, it will probably be several years before either is available at the retail level.

The plasma display screen is an IBM invention. Shown at the past two Comdex shows, the screen is available under the firm's OEM program. It can now be purchased

in quantity, although prices range from \$3,400 for a single unit all the way down to \$2,040 for purchases of 2,500 or more.

And while it will probably be awhile before plasma technology reaches the personal computer level, it is definitely something to watch for. The three-in.-thick screen offers a 17.2-in. diagonal viewing area. Its flat surface produces striking, flicker-free, high-resolution graphics.

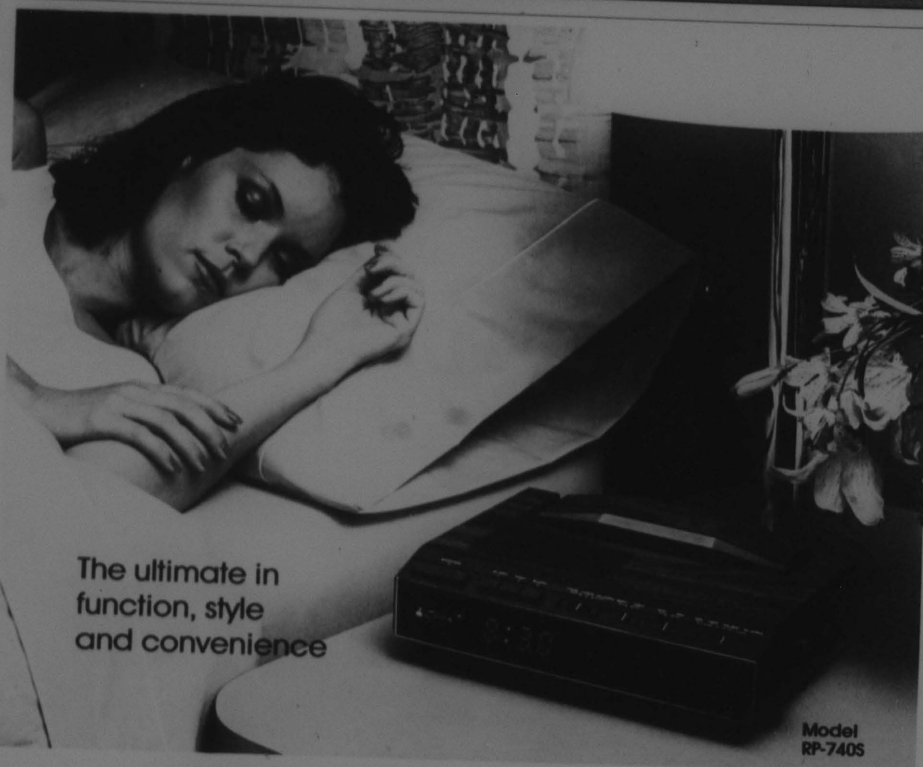
#### Can computers sales help

The mobile computer mentioned above comes from Gavilan Computers Corp. Although it is now on the market for under \$4,000 (the price includes the main unit, a micro-

floppy disk drive, a modem, internal processing memory, a recharger and an operating system) it will be sold only to OEM's or self-sufficient end users, such as insurance companies who would like to have their salesmen computerized for improved efficiency.

Along with the flip-up display screen (which gives the Gavilan a certain Star Trek-like appeal) the most obvious feature of the computer is its integrated touch panel that acts like a "solid state mouse." Sliding his finger across the panel, the Gavilan user moves a cursor across the display screen. To make a selection, he merely taps the panel.

It not only works. It's great fun.



## Cobra CORDLESS TELEPHONE-CLOCK RADIO



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#### Cordless Telephone Features:

- Makes and receives phone calls anywhere inside or outside your house (up to 100 ft. away from clock radio)
- No cords or wires to tie you down.
- Automatically redials last telephone number called if you get a busy signal.
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#### AM-FM Electronic Digital Clock Radio

- AM-PM indicator • Easy to read large LED time display
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## Comdex: Software selection was not just fun and games

By Bill DeSiena, associate editor

ATLANTA—Software suppliers came to Comdex/Spring '83 armed with a host of titles to back up the many hardware systems now entering the mass market.

The large number of mass merchandisers, toy stores, general electronics chains and book distributors represented at the show was enough to indicate that the general retail sector is continuing its efforts to rack up increases in computer volume. And they were shopping for more than just

games this time.

In fact, game suppliers were not the ones dominating the software selection at the show. It was instead the vendors with word processing, spreadsheet programs, other applications and blank software that made up most of the menu awaiting buyers.

Dealers who came to Atlanta received an early peek at what some vendors will exhibit at this month's CES along with a look at some higher-end software that will no doubt skip the Chicago event.

For many vendors, it was their first Comdex. Some had yet to decide whether this small business turned home and business show was really worth attending. Game and blank software supplier ZiMag was among them.

### Mass merchants came through

"Walden Books, record distributors, toy and even drug stores all came through here today," noted Lee Gross, director of marketing services. ZiMag was talking to dealers about second-half programs, and Gross discussed product plans as well.

ZiMag has been selling the bulk of its blank software through specialty outlets in large packages. "We have decided to add smaller one- and

three-packs of blank software for the mass merchandiser. Their customer doesn't have the discretionary income that shoppers in specialty stores might have to buy multiple diskettes or cassettes," Gross reported. (Editor's Note: Following the show, ZiMag announced that it would discontinue all game-making functions, and concentrate on the blank software market.)

"We've seen a lot of mass merchandisers at this show," commented Larry Griffiths, national sales manager, Software Distribution Services. "Many stores are looking to separate home computers from their personal computer departments." The Buffalo-based firm handles 2,300 titles for Atari, TI, NEC, Commodore and CP/M-based hardware.

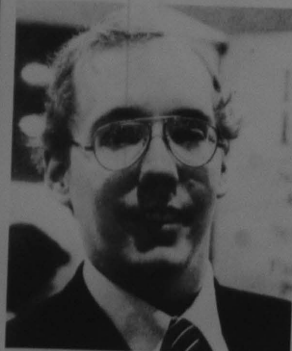
Comdex was a coming out event for Softsmith, a third-party publisher of software. The company is an offshoot of The Software Guild, also a third-party publisher. The difference, according to Nick Carter, marketing director, is that Softsmith will emphasize its own brand name at the consumer level.

"We are developing a network of franchised distribution that will concentrate on getting product to the mass merchandiser," Carter went on. Right now, the firm holds the licenses to a little more than 500 titles. One of the keys to the company's program is a kiosk display that local distributors will place in stores. These distributors will then have rack-jobbing responsibility for the unit.

Software prices range from \$19.95 to \$99.95 in all subject areas. If a dealer buys \$6,000 worth of software, the kiosk will be thrown in free. Program packages, however, do start lower than \$6,000.

DataMost, known to the home market primarily for game software and computer books, was showing five business and financial software packages. Among the titles was Personal Ledger, which can handle daily and monthly personal finances, and The Market Technician, which can chart the performance of a portfolio of up to 40 stocks. Suggested retails are \$129.95 and \$195, respectively. Both run on Apple II-family systems.

Director of marketing Dean Marion also talked about what would be unveiled at CES. "Four Atari 400/800/1200-compatible ROM cartridges will be introduced, along with disk games as well. We will begin manufacturing games for the Commodore 64," also on cartridge and disk, he said.



SIMILAR AMOUNTS of memory found in home and personal computers are causing a blur in the market, comments Perfect Software president Robert Glidden.

## Want to make a fistful of dollars?



## Sell your customers a handful of happiness.

Never before has human engineering been used so effectively in the design and manufacture of joysticks and game paddles for personal computers. Whether it's our new AJS series joysticks for Apple and IBM, with their auto-centering override feature, or the TJS-400 joystick for Atari-compatible computers that fits the hand like no other joystick ever

has, here are uniquely saleable products. Indeed, no other company has paid so much attention to the needs of game players. No other company has spent so much time and money in research and development to create such sophisticated products for the players who take their fun so seriously! That's why our software-compatible Trackballs

are easily the equal of those found in game consoles in arcades. And our game paddles are "ambidextrous"—because left-handers are players and customers too.

To find out more about the complete line of TG controllers, visit us at Booth 6438. For the name of your TG sales representative, call us at (214) 424-8568.

Be sure to see our new exclusive line of software, too.

**TG PRODUCTS**  
1104 Summit Avenue,  
Suite 110,  
Plano, TX 75074.



In addition, the company has been retained by Panasonic to develop software for the JR-200, providing titles under both Panasonic and its own labels.

#### Word processing titles abound

A number of word processing programs priced for the masses were unveiled at the show. Bruce and James, Program Publishers, has priced its Wordvision program at \$49.95 suggested retail in order to reach the mass market through book sellers, computer and electronics dealers and mass merchandisers.

The program does not require the user to learn complex commands. Instead, controls are activated with special keys found on many "second-generation" computers. Although some formatting features have been left out, automatic footnoting can be added with another program.

Wordvision, part of an expanding line for Bruce and James, will be formatted first for the IBM PC and bundled with the MAD-1 micro-computer from Mad Computer. The program will be marketed for the Commodore 64 later this summer.

According to president Jim Edlin, the James of Bruce and James, other applications for software, including an easy-to-use spreadsheet, are in the works for the Vision line.

In order to reach its targeted retail audience, the company has signed an exclusive distribution agreement with Simon & Schuster.

#### Fill 'tremendous' void

Another contender in the low-end word processing arena is Quick Brown Fox, which has begun shipping its package for \$65 suggested retail. The program has been targeted for the Commodore 64 and VIC 20 computers, said Edward Moran, vice president of marketing. "We are poised to fill the tremendous void in software for the Commodore systems," he added.

The company will add CP/M-86 and MS-DOS formats later this year, which will make the word processing package compatible with the IBM PC and other computers.

Quick Finger (\$39.95 suggested retail), Quick Mail (\$49.95) and Quick Spell (\$49.95) will be ready for shipping this month. Moran pointed out that both the retail and educational markets would be pursued.

Computer Software Associates is also staking out a position in the low-end home computer market. Practical, an electronic spreadsheet program for the VIC 20 and 64, will carry suggested retails of \$39.95 and \$49.95, respectively.

Also for the VIC 20 is Rabbit Base, a cassette-loading data file manager, for \$24.95. It allows the user to sort entries, add, delete, change and find items quickly.

The company has also grouped seven programs onto one cassette for the VIC, entitling it the VIC PAK #1. It includes programs on calculating mortgage rates, a quiz on chemical elements, a statistics package and a calendar. The list price is \$19.95.

Among the latest entries from companies catering to the home/business market is PFS: Write from Software Publishing. The program is designed to reduce writing time, and can read text file output from most other brands of software. It will be available in mid-June for the IBM PC for \$140 list and in late summer for the Apple II for \$125. Other inte-

grated programs from the firm include PFS: File, PFS: Report and PFS: Graph.

To promote its line of integrated software for CP/M, MS-DOS and IBM PC-DOS computers, Perfect Software has launched a \$1-million ad program to support computer dealers. To date, the company produces software only for computers using standard disk operating system formats, leaving out the proprietary systems found at the home level.

"The computer power on units like the Apple IIe and the Commodore 64 is identical," commented Perfect president Robert Glidden. Although he sees divisions between the home and personal computer markets blurring, the price of peripherals will keep

them from coming together. Prices are just too high for the home market, said Glidden.

Peachtree Software has debuted its PeachText 5000 software package for \$395, priced to appeal to the mass market, noted president Ben Dyer. Available for the IBM PC, Compaq Portable Computer, the Texas Instruments Professional and Zenith's Z-100, the package combines the PeachText word processor, Random House Electronic Thesaurus, Spelling Proofreader, PeachCalc Electronic Spreadsheet and List Manager software programs.

Each purchaser of PeachText 5000 receives a free box of 10 Peachtree 5 1/4-in. diskettes and a coupon for a

(Continued on page 125)

**VENDORS ARE PACKING** more applications into software at lower prices. PeachText 5000, at \$395, is priced to appeal to the mass market, offers Peachtree president Ben Dyer.



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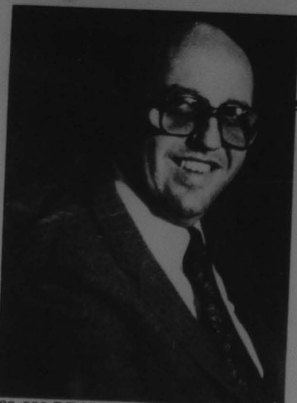


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30,000 DEALERS will sell home computers in 1983, compared to half that in '82, notes William Turner, president, consumer group, Texas Instruments.

## PERSONAL ELECTRONICS

# New technologies hit home, but they don't always sell

By Bill DeSiena, associate editor  
NEW YORK—The technology that brought computers to the home market will soon deliver videotex communications and interactive videodisc/computer software to consumers. But just because the technology exists, does not mean it is going to sell.

Those thoughts were passed back and forth by industry executives and analysts attending a recent seminar sponsored here by The Yankee Group, a research firm based in

Boston. While most of the manufacturers hailed the future of the personal electronics industry, the stock analysts offered a more sobering view of rapid technological changes and their detrimental effect on the market.

The most memorable comments from both groups have been compiled here:

Howard Anderson, managing director, The Yankee Group: "AT&T will get into the personal computer and videogame markets via the home

telephone. Its American Bell subsidiary is interested in personal computers and videogames because that's where the money is. And instead of using a modem, why not plug the game or computer directly into the phone line to get game services? Data communications will be profitable too, with the amount of business and residential services Bell can offer."

Anderson speculated that Ataritel's Falcon family of advanced phones would be designed as videotex communications product, complete with a video display monitor. Prices on a line of four models would range from \$149.95 to \$449.95. Atari itself has said that Falcon product won't be introduced until 1984.

Douglas LeGrande, assistant general manager, PC operations, IBM: "Half of the white collar workers in the U.S. use a personal computer. Of this group, many share a personal computer at work. Less than five percent of the 80 million U.S. homes have a computer today. But in homes where they exist, computer time has increased from seven hours a week to about 30 hours. As people become more literate, they will see more of a benefit from the use of a personal computer."

LeGrande did not address the issue of whether IBM would get into the under-\$1,000 home computer market with a model later this year. The Yankee Group, however, has codenamed the possible IBM entry the "Peanut."

William Turner, president consumer group, Texas Instruments: "The number of dealers selling home computers this year will reach 30,000, compared to 15,000 in 1982. Where many retailers carried the hardware from as many vendors that came into the market last year, most will limit their mix to two or three brands in 1983. Because of the streamlining, most buyers will go deeper and carry between 40 and 150 sku's from each vendor, versus the 10 to 40 items stocked for each in 1982."

The professional computer will move into the mass merchandiser market this year, Turner said. But where the home computer is sold on an "I want" basis, the personal computer will be sold on an "I need" basis, he added.

Thom Kidrin, senior vice president, Laser Disc Computer Systems: "Laserdisc technology in games should restore revenues lost to the arcades. The technological equivalence of the home and arcade game play, as seen by Coleco's Zaxxon, has greatly affected arcade revenues because of shorter release windows for the coin-op market."

Laser Disc is one of a few companies reading interactive video/computer games for the consumer market. While the disc format for the arcade market will be ready soon, the first interactive game video/com-

(Continued on page 125)

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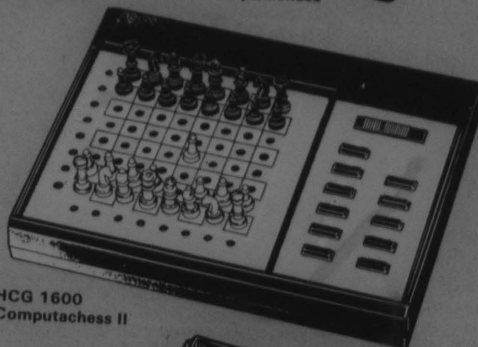
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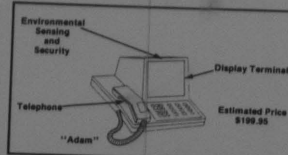
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ATARITEL'S PHONES will be designed as videotex communications products, ranging from \$149.95 to \$449.95, says The Yankee Group research firm.

MERCHANDISING

# Child World chain programs home computers into future

By Bill DeSiena, associate editor

NEW YORK—Two years ago, the idea of a toy store selling home computers would have seemed ludicrous. But one year and \$300 million in electronics sales later, toy chains have turned the word from ludicrous to profitable.

Electronics sales for Child World, one of the three major toy supermarket chains in the U.S., have gone from just three percent of sales in 1980 to more than 20 percent this past year. And president John Chase said this percentage may still climb for the 79-store chain.

Speaking before the industry at a recent seminar held here by The Yankee Group, a Massachusetts-based research consulting firm, Chase outlined his methods for attaining success in electronics. For one thing, Child World created separate electronics booths in-store to emphasize the chain's commitment to the category and to answer customer questions. Oh, and the price advantage Child World can offer its customers on hardware hasn't hurt either.

Even after experiencing the slowing of the hand-held and videogame system markets, the chain still plans to carry 10 to 12 computer systems in the near future. And if there is any doubt Child World is planning a long-term venture in computers, Chase noted that when IBM's low-end unit is ready, he does not want to be left out of the distribution plans.

## Started with Pong

The three percent of sales that electronics generated in 1980 came from hand-held games. Before that, Child World's electronics business had been conceived when Atari's Pong game hit the market.

When January 1981 rolled around, the toy giant, like other hand-held game retailers, was trying to recover from the tremendous slump and price-cutting of the just-ended fourth quarter. At that time, many in the industry "were also trying to figure out when videogames would crash" the way the hand-helds did, Chase noted. So why get into computers?

Because in 1981, over 50,000 Atari VCS units were sold by Child World. "And as calculators and word processors primed the personal computer business, videogames and hand-helds did the same for home computers," he explained. No longer just the domain of electronics stores promoting to hobbyists and businessmen, the computer had caused the toy and electronics retail markets to collide.

## Launches electronics center

Child World's commitment to selling videogame systems was the reason a special electronics booth was set up in every store in 1981. Here, the customer's attention could be drawn to the entire electronics assortment.

Chase pointed out that the booth enabled the store to put the games right in the consumer's hand. And shoppers could have questions answered or service problems taken care of. The booths also became a way of exercising "shrink control" over customer and employee theft.

"We had no illusions about videogame margins being maintained because of our experience with hand-

helds and our toy background," Chase said. Advertising in 1981 ran between three to 10 percent of total electronics sales. Coupled with the electronics centers, average store sales rose 19 percent, he noted.

In 1982, Child World addressed the home computer market by doubling the size of its electronics centers and introducing a training program for its salespeople. "We wanted to service the customer and try to minimize the 'closet computer' effect," he said.

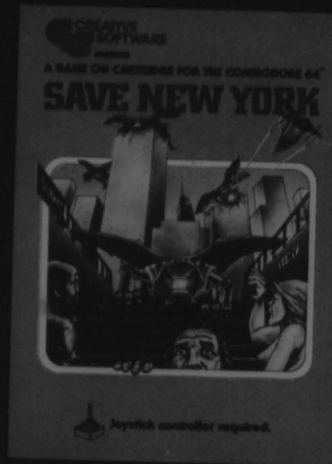
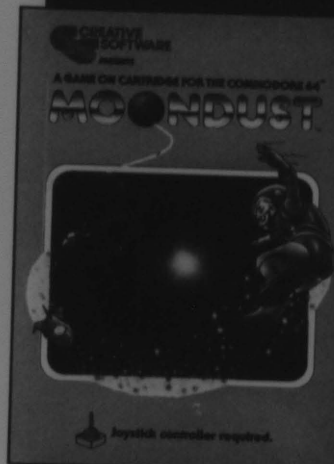
(Continued on page 81)



10 TO 12 computer systems will be stocked by Child World this year. To accommodate the area, the chain's electronics centers have been doubled in size and a training program for clerks instituted.

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## Computers meet the EIA: 20% of CES space and climbing

By Lee Rath, editor

WASHINGTON, DC—Retailers who have attended the past few Consumer Electronics Shows cannot have failed to notice the changes taking place.

Last June, computers, which had made but a few tentative appearances previously, burst onto the scene in a big way to occupy about five percent of the floor space at McCormick Place. In January in Las Vegas, that figure doubled to about 10 percent.

This month, computers will again double their space to take up 20 percent of the show's square footage. In fact, the category has grown so large that it has spilled out of McCormick Place to fill its own 150,000 sq. ft. of exhibit space in McCormick Place West.

And it's not going to stop there. Next January, some 200,000 sq. ft. of exhibit space is expected to be needed to house computer exhibits—so much that a temporary building may have to be erected in Las Vegas especially for the computer crowd.

Further down the road, the category's expansion may be enough to help push the summer show out of Chicago altogether and take it to a town that is big enough to hold it.

All of this has had its effects on the Electronic Industries Association's Consumer Electronics Group (EIA/CEG). In the past year, a separate division has been formed to cover this booming category. And the association has shifted into high gear to give computers the attention they so obviously deserve in the Eighties.

To find out about these changes, Merchandising recently visited with Jack Wayman, senior vice president of the CEG, in his offices in Washington, DC. Here is what we learned:

**Merchandising:** How has the Consumer Electronics Group come to be so heavily involved with computers?

**Jack Wayman:** "Let's go back to who we are. Our scope of operation covers any product that the consumer purchases that's electronic and that's normally sold through consumer electronics retailers. Today, that includes the computer."

"To draw a parallel, we are, of course, heavily involved with the videocassette recorder industry. But we weren't back when Sony marketed the U-Matic. That was an industrial product. But once the Beta and the

VHS formats emerged, the product moved into our Consumer Electronics Group.

"The same thing has happened with computers."

**Merch:** How will the group fit the computer industry into its operations?

**JW:** "A separate division has been formed to handle computers, video-games and telephones, which are all intrinsically tied together. It will operate parallel to the audio and video divisions, which have been in place for years."

"The division was formed last June with John McDonald of Casio as the chairman. It has met three times since

then and will be meeting again at this CES, fleshing out its operations."

"In addition, we are looking to bring on a full-time staff person to really take care of that division. We don't do this for the other divisions, but I think the computer area should have its own special person who can really talk with these people. We are looking to be responsive to their needs."

**Merch:** Who will be eligible to join this new division?

**JW:** "We will offer membership to computer manufacturers who want to sell to the consumer through standard consumer electronics retail outlets."

As companies such as IBM move into this area, they will be fair game.

"We now have 15 or so members, and we're growing. Atari, Mattel, Panasonic are in. Sony's coming into it, and so forth. The target would be at least 30, perhaps as many as 50 members. That's going to be the crowd that can participate and do things."

"In addition, we are going to take in computer software manufacturers. Now that's unusual for the EIA, to take software. But in this case, it is so intrinsically tied in with the hardware that we will cover both. It must be a

(Continued on page 124)

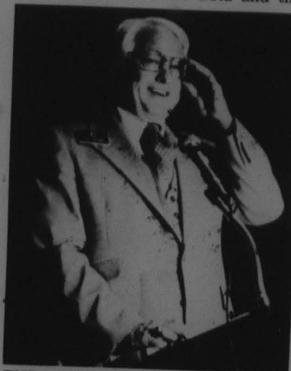
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THE COMPUTER BOOM has effected major changes in both the Consumer Electronics Shows and the Consumer Electronics Group of the Electronic Industries Association, explains senior vice president Jack Wayman.

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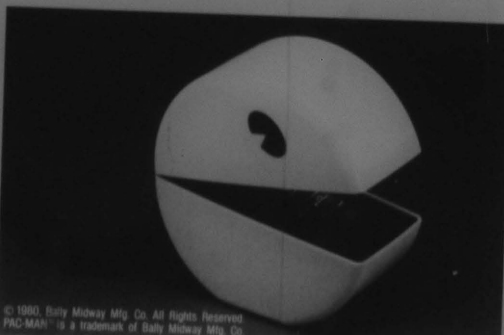
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# Change software sales strategy to move educational titles

By Bill DeSiena, associate editor

DALLAS—Retailers are going to have to change the way they sell computer software if they don't want to miss out on the \$100-million market that educational titles are expected to yield this year.

For one thing, educational/personal enrichment software is not the "hit-oriented" business that game software is. And advertising and promotional activity must be directed toward the parents.

In addition, most dealers are simply not aware of what makes a good learning program. This became the subject of intense debate among publishers during a recent seminar sponsored here by Future Computing.

Are skill-based, numbers-oriented titles more valuable than discovery learning or graphic instructional titles? Which will appeal more to the home market? Suppliers debated both points, while one went so far as to question whether the educational market will even be able to win enough shelf space away from the game titles this year to make itself known.

## Distribution problems exist

The first titles to stand out in this market are those that teach people how to use their computers—not educational titles for children, noted Bodie Marx, vice president, Milliken Publishing. In addition, "The industry is moving away from the strict curriculum, drill-oriented lesson to the more motivating aspects of the computer: sound and graphics," he explained.

As the educational software industry attempts to shift from its traditional markets, the schools, and more toward the home, sound and graphics are becoming more of a selling feature, Marx said.

He pointed out that a number of distribution problems exist as well. Although the home market has tremendous potential, "primitive merchandising practices" still exist at the retail level. "Expensive point-of-purchase racks, some costing as much as \$1,000, are being placed in stores, but they are often merchandised poorly," Marx said.

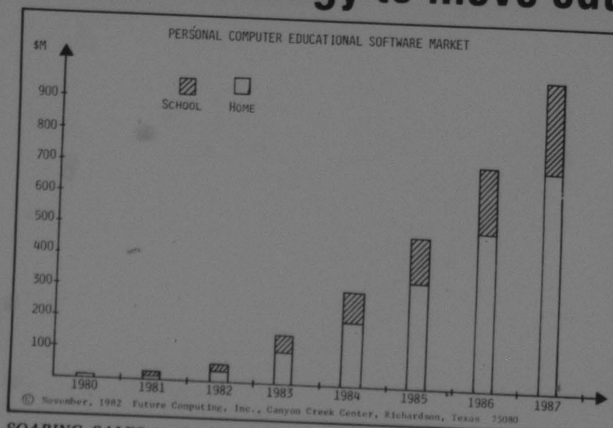
Many dealers, used to selling videogames, must be convinced that educational software is not a titles business, he continued. Fewer hot titles exist, and they generate fewer turns than games. But the programs do have a longer life cycle.

Too, advertising and promotional activity must be skewed more toward the parents of the user, especially where the student market is concerned. According to a survey used by Milliken Publishing, the vast majority of purchase decisions in this area are made by the parents.

Marx also admitted that few dealers have the expertise they need to judge the good educational software from the poor. "And the kids will buy a program just based on the graphics at times, and soon find that graphics aren't always the thing that make a good program."

## What's good and sells?

Still, predictions are bright for the educational market this year. The research firm Future Computing, Richardson, TX, forecasts that the home educational software market will more than double over last year's



SOARING SALES in the home educational software market will more than double in 1983, double again in 1984 and exceed \$300 million in 1985, says Future Computing.

figures to hit \$100 million in sales in 1983. The market should double again in 1984 and exceed \$300 million in sales in 1985.

Most publishers, while agreeing that the area has a strong future, differ on what type of educational titles will offer more value for the end user and sell-through for the retailer.

The conflict is based on two schools of educational software style: skill-based, number-oriented and open-ended, graphic-dependent.

"We publish discovery learning software, an open-ended type of learning," said Dr. Anne Piestrup, chairman, The Learning Company. "The idea is not to tell the kids they are wrong; nobody likes to be told that. And we don't decorate products with graphics. Instead, the players contribute the graphics that become a part of their learning experience."

Some graphics-dependent software works to improve the spatial awareness of the user. For example, "Planar perceptions are an advantage," Piestrup explained. "Kids can answer the question, 'Which line is above the other?' more easily on a screen than on a flat piece of paper."

One of The Learning Company's titles is Juggle's Rainbow, which allows a young child to name and match colors and shapes. Rocky's Boots, another title, gives an older user the chance to actually design computer circuits.

Milliken Publishing favors skill-based programming that contains problem solving and logic-testing programs. "This type of software will be especially important for both children who need remedial attention and are turned on by the computer, and for those who are turned off by the educational process today," Marx said.

A typical title is Golf Classic, actually a game of sorts. Players go through a golf course and must plan their shots by determining the angle and length of each.

Marx questions whether more open-ended programming would be viewed by parents as "educational enough." He explained, "It doesn't have any numbers that they can relate to."

Also affecting the success of educational titles is the need for testing standards, pointed out Judith Marlow, director of marketing, Children's Computer Workshop (CCW).

"With today's prices, parents have a right to expect longevity in a program," she said. "Is the game appropriate for the age it targets? Is it appealing to the user and accessible? Is there an understanding of the educational goals it attempts to fulfill?"

At present, CCW is distributing 24 titles through Tandy and Atari. The company was spawned by the Children's Television Workshop, which founded Sesame Street. As a result, many of the workshop's ideas have been adopted for software products.

Scholastic, Inc., now generating most of its revenue in the educational print market, hopes it will be able to generate half of its income from software in 1986, reported Roger Buoy, executive vice president. The company is going after the family

market with its Wizware line which consists primarily of open-ended learning titles.

No matter what theory the suppliers subscribe to, children's learning titles will be most successfully directed toward parents of children four to 10 years old, said Buoy. "The 11 to 15 year olds still want games."

To penetrate most channels of retail distribution, educational titles are going to have to present dealers with some very real benefits that will convince them to take some shelf space away from entertainment programs. "An educational publisher is selling a product that has about 10 percent of the volume of popular entertainment titles with the same price tag," said Douglas Carlston, president of Broderbund. "This means that publisher is paying one-tenth of the price of the space he occupies on the shelf."

Carlston, although interested in the market, has chosen to pass on publishing educational titles, at least for now. He disagrees with the numbers being accepted now for sales to end users.

"The scenario is this," he said. "A guy goes into a store and buys a hardware system and some software. Three of the titles are games. The fourth is educational in nature. He's asked on the way out what he's bought, and the educational title is on top."

Carlston continued: "He says, 'I got this TI to keep the kids off of my IBM PC and bought a couple of educational titles for them,' when in fact he only bought one. I think there is a distortion taking place."

Marlow of CCW, however, noted that her company's first distribution agreement—with Apple last Christmas—was an instant success. The titles were completely sold out.

## Don't write off videogames yet: Chase

(Continued from page 69)

referring to shoppers who buy hardware only to become hopelessly frustrated while learning to operate it.

Backed by an eight-page circular campaign, average store volume jumped another 19 percent. Electronics sales climbed to above 20 percent of the total, and the chain was stocking about 500 sku's of videogames, software and accessories last year.

That volume didn't all come from the home computer business, however. "Don't write off videogames yet, they are software driven, and there are better games and adaptors for each system to boost sales," advised Chase. An installed base of over 10 million units will create a strong aftermarket for a few years. "And hot arcade licenses still drive the market."

Chase even has praise left for the hand-held game. "As long as price/value strategy is maintained, new technologies don't necessarily preempt the old," he went on, pointing to Coleco's success with Xaxon in the hand-helds in 1982.

## Stock 10 to 12 systems

Child World will carry 10 to 12 computer systems this year. Prices will tend to cluster around the power the units offer. Chase sees 4K to 16K machines retailing for about \$75 to

\$125, 48K to 80K hovering around \$300 and 80K-plus at about \$600.

The question, however, is not whether toy chains like Child World can support the hardware, commented Yankee Group research analyst Clive Smith. It is instead, can they provide the software assortment needed?

Chase answered by pointing out that personal computer software would rely less on hit titles than videogame software. And one of the fastest-growing retail segments of the business will be software-only stores, which will start picking up speed in the fall, he said.

## Price competition key

As for Child World's plans, Chase added, price would be a key factor in competing against specialty stores.

Just how deeply is the chain ready to plunge into computers? If and when IBM introduces its under-\$1,000 unit later this year, Chase hopes that "all retailers will have the chance to sell it. If not, IBM could well determine the channels of computer distribution in the low end."

**Comdex Coverage  
appears on  
pages 60, 64**



of the spectrum if spacing would be only set at 15 KHz (the closer the frequencies are, the more chance that exists for interference).

The GTE response late in 1982 also highlighted the company's concern over the level of personal privacy offered users. (This is known in industry circles as "the garage door syndrome.") The company also suggested that a number of security frequency codes should be adopted as part of the petition's out-of-band emission requirements.

A spokesperson at GTE's Stamford, CT, headquarters reported that the firm was just about to file rules on spectrum allocation with the FCC, but would not elaborate on their contents at press time.

#### Only four more channels?

Before the proceedings are over, however, the industry could end up getting just four more channels (eight more frequencies), according to Jim Haynes, chief engineer with Uniden. "That would happen because the channel spacing problem is still up in the air," he said.

The Notice of Proposed Rulemaking was issued at the end of March. The industry had until May 19 to respond back to the FCC with comments. After the reply deadline, Haynes figured that the proposal couldn't be endorsed as federal regulation before the middle of this month.

It should also be noted that, according to the FCC proposal, frequencies within the 46 and 49 MHz bands would only be used on an interim basis. The proposal reads that the frequencies can be used "provided that manufacturing or importing of equipment using these frequencies is

terminated after five years and marketing after six years from the date any interim commission rules become effective."

The FCC went on to explain that the statement called for separate termination dates of manufacturing and marketing of phones in these set frequencies, "to make clear the need" to plan for the conversion to new frequencies in a few years.

When a band's use is terminated, it does not mean that it will go out of use or that consumers will have to "turn in their phones."

"With the 1.7 range, the consumers who own such product will still be able to use their phones on that band width," Haynes explained. "The manufacturer simply won't be al-

lowed to make any more cordless phones that respond to that band." Even with the current switch to the 46 and 49 MHz bands, manufacturers will still be able to make and sell 1.7 MHz product up until October 1984, he reminded.

#### Codes protect phones

Overcrowded channels is one concern of the industry. The other issue affecting cordless phones is the problem of interference. Vendors do agree that digital coding on a cordless phone will check the possibility of a person in an apartment or down the block calling on another's line with his cordless handset. Mura and Uniden have high-end models that adopt this technology. And more product with a

security code feature, possibly from other vendors, will debut at CES.

Where vendors differ in opinion is over whether a digital code can alleviate the need for additional channels. "Coding does not help correct channel overcrowding. It prohibits an unauthorized user from tapping into your base station," Uniden's Haynes added.

But Phone-Mate disagrees. Vice president of marketing Bob Petkun said that while more channels will relieve overcrowding, a digital security code, in addition to the existing guard tone built into every phone, will help correct the problem, even with the large number of users now.

The company, in backing the GTE (Continued on page 119)

## AM stereo receivers, audio/video lines debut

(Continued from page 39)

tuner and a car audio unit capable of picking up any of the formats automatically. The products are scheduled for fall delivery.

Magnavox is also planning to produce multiple-system receivers, according to Louis Slangen, vice president, product planning, N.A.P. Consumer Electronics.

Sony has introduced a portable AM stereo radio that receives either Harris, Kahn, Magnavox or Motorola broadcasts. It carries a suggested retail price of \$89.95.

The marriage of audio and video, which has gotten off to a slow start, will be given a boost by a number of audio manufacturers showing amplifiers and receivers with video input circuitry. Pioneer, for one, is introducing three receivers with inputs for either a TV, a VCR or a videodisc player. In addition, the units offer simulated stereo for monophonic inputs.

Also more in evidence will be remote-controlled components and systems. Akai is one company going heavily into this area. Its new Compo Fusion systems feature all controls on a pop-out panel which functions as a wireless remote.

In other pre-show news, Aiwa has announced that it will be concentrating on cassette decks this year and anticipates a 50 percent increase in sales in the category. Last year, the company emphasized its portable line and managed to generate a 60 percent

(Continued on page 126)

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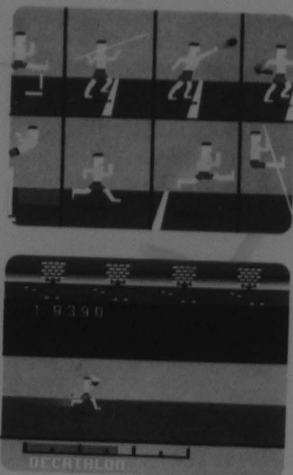
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### THE ACTIVISION DECATHLON

**David Crane's new blockbuster,** The Activision Decathlon, hits the screen running, with ten grueling events to determine the world's greatest athlete. With all the speed and reflexes you can bring to the joystick, you'll run, hurdle, jump, vault and hurl your way to a gold medal. You'll control incredibly realistic athletic motion amidst the splendor and cheers of a packed arena. And now, for the first time, up to four players can compete. Whether you taste the thrill of victory is up to you. But one thing's for sure, you'll find out what it takes to beat the best.

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**For use with the Atari®  
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Available in August.



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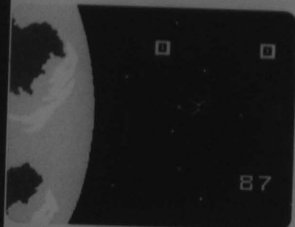
You've traveled all over the galaxy, but you've never seen anything like it. Now, for Intellivision®, it's The Dreadnaught Factor. The most gargantuan enemy spacecraft in existence — 100 times the size of your hyperfighter — creeps toward you. To save your planet, you've got to make every run count. Spectacular visual and sound effects fill the air as your hyperfighter screams through The Dreadnaught Factor's unbelievable array of weapons. Your mission: disable it before it reaches the stargate to your planet. The Dreadnaught Factor. Your game plan won't be complete without it.

**Designed by Tom Loughry.**

**For use with Intellivision®**  
Available in August.

# THE SUMMER GAMES. 1983.

er with three hot new games from Activision.

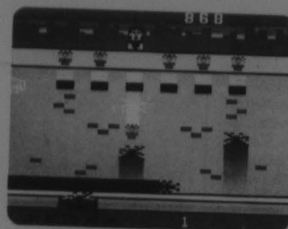


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Crackpots, from Activision.  
Don't get caught without 'em!  
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## PERSONAL ELECTRONICS

# Vendors introduce peripherals in anticipation of sales boom

(Continued from page 61)

software will be available in six categories: business and accounting; education and personal development; entertainment and recreation; home management and record keeping; personal and professional productivity; and program development and utility.

At Panasonic, six new pieces of software were shown for the company's HandHeld Computer (HHC). Introduced were: Portagraph, Portacalc, Portabudget, Portastat, Portawriter and a games program. In addition, according to Yoshi Yamada, product manager, hand-held computers, consumer electronics division, several new programs will make their debut at the Summer CES. Software for the Panasonic HHC takes the form of plug-in ROM cartridges.

### New peripherals intro'd

An optically encoded, mechanical cursor control—more commonly called a mouse—was previewed by WICO Corp. at Comdex. President Gordon Goranson said that the unit will be available this fall for under \$250. The first computers to be targeted for compatibility are Apple and IBM models.

Several additions were also made to the company's Command Control line: analog joysticks for the Radio Shack TRS-80, the Apple II, the Atari 5200 and the IBM PC; a three-way "joystick deluxe" for the Atari 400 and 800 and the Commodore VIC 20 and 64; a Power Grip joystick for the Atari 400 and 800 and Commodore VIC 20 and 64, and a trackball designed for the IBM PC.

Goranson explained: "After last fall's Comdex, we decided to concentrate more on supplying peripherals for the computer industry. It is, obviously, where we are going to see the strongest growth in the years ahead."

New from Suncom is a Starfighter joystick for Apple computers. Color-coordinated to match Apple hardware, the model is available for a \$49.95 suggested list. An adaptor for \$12.95 will now allow any Atari joystick to operate with a Texas Instruments computer. And a TAC-2 (for totally accurate controller) joystick (\$19.95) has been introduced for the Atari VCS, the Atari 400 and 800 and the Commodore VIC 20.

Discwasher has turned its attention

to the computer market and introduced a number of maintenance items and peripherals. New this month is a game port expander that will allow Apple owners to plug in up to four controllers. "It uses total semiconductor switching," said David Howe, director of marketing and product development. "It will accept any software because it uses analog transmission gates." Also new from the company are two surge suppressors. One has a switch and a power cord; the other is a plug-in style. Both will be shipped in July.

General Electric showed two new matrix printers for personal compu-

ters. The 3014 (\$1,550) and the 3024 (\$1,550) print from 160 to 200 characters per second.

Okidata Corp. unveiled a downline loading software program called Personal Touch. Designed for use with printers used with Apple and IBM computers, the system allows users to design their own customized typefaces by creating dot matrix patterns. Personal Touch is available on diskette for \$89.

New from Comrex were a daisy-wheel printer priced to sell for under \$700, a 5 1/4-in. Winchester disk drive for the Epson QX-10, a \$159.95 modem for the QX-10 and a dual

floppy disk drive for Apple computers.

Zoom Telephonics, Inc. showed a modem and communications software package for Apple II series computers. It will retail for \$169, and consists of the Networker modem and Netmaster software.

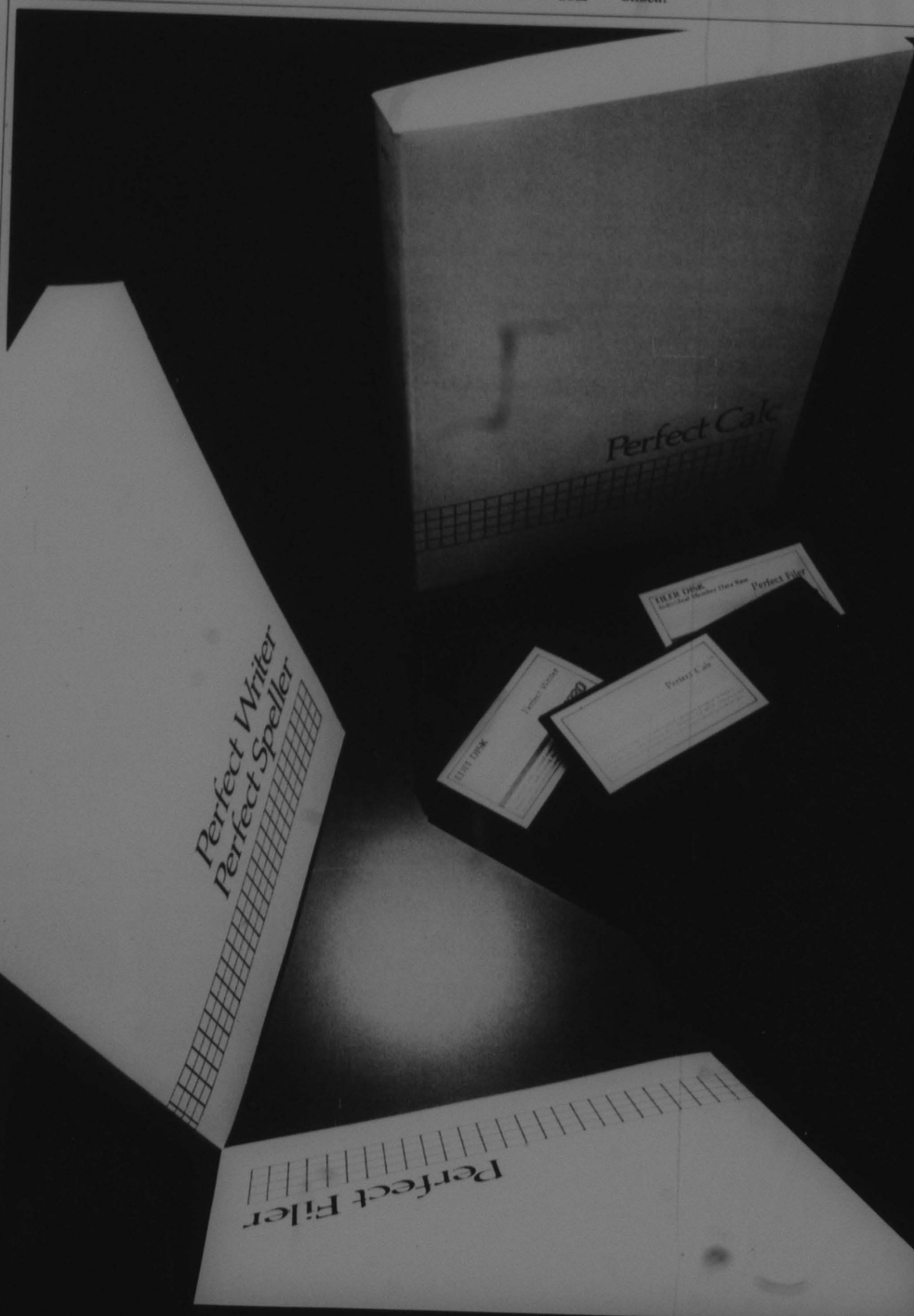
Leading Edge Products introduced a moderately priced dot matrix printer called the Banana. It features a 10-in. carriage, prints up to 50 characters per second and offers tractor paper feed. The unit can be used with most computers, including models by Apple, Atari, Commodore and Radio Shack.

## American gives free bike with selected purchases

MADISON, WI—Customers who purchased any advertised item at American of Madison received a 12-speed bicycle absolutely free. A double-truck ad in the March 25th issue of the Wisconsin State Journal read, "12-speed Bikes Included with Thousands of Items," and selected products were featured below with prices.

For example, the buyer of a Commodore 64 computer for \$399, who then added \$25 worth of software on top of that, got the 12-speed bike. The same deal applied to Uniden's Extend-A-Phone model EX1100 (\$157).

The lowest priced items that included the two-wheeler offer were a Sharp stereo cassette player, and a Jensen car audio system, for \$144 each.



## NEWSLINES

### PERSONAL ELECTRONICS

# 12345

#### Cotter & Co. stores sign with American Bell plan

NEW YORK—American Bell has signed a contract with Cotter & Co. to provide interested individual members of its 7,000-store True Value

home center chain with the Phone Booth merchandising program. To do so, original Phone Booth requirements had to be scaled down to meet most store owners' needs. "About 60 percent of Cotter's members are located in towns with a population of less than 10,000," reasoned Al Franks, American Bell's vice president of sales. "We couldn't expect such members to be able to handle a \$15,000 investment in inventory."

Franks said that about two-thirds of the 7,000 or so stores in the Cotter group would buy into the program. Generally,

the Phone Booth program has been modified to meet the needs of smaller stores. The original requirements meant setting aside 128 sq. ft. of space and as much as \$15,000 in minimum orders.

Right now, six dealers have signed up for the Phone Booth: Target, Cotter & Co., Bradlee's, Fred Meyer, Appliance Merchandiser Inc., and Hills. Sear's, Richman Gordan, Kaufman's, Lechmere's, Burdines, The Popular, Shillito-Rikes, Boscov's, Gottschalk's and The May Co. stores have accepted the more elaborate Phone Center plan.



Al Franks: American Bell inks deal with Cotter & Co.

#### On-line software database gives store extra 'salesman'

ATLANTA—An on-line database containing information on more than 21,000 software packages will roll out nationally to computer dealers this month. PC Telemart unveiled the service at the recent Comdex show. "For retailers, it will be like having an additional salesman, and the software customer will benefit from having a wealth of data and services at his fingertips," said Larry Stockett, founder and chairman.

The user can call up information on software titles, which identifies their applications and publishers, with analysis and critical reviews on some of them. Through search proce-



PC Telemart unveils on-line database

dures, the user can find out what software is available and order it electronically. The customer can either access the information from the store location or from another place by dialing the store and paying the dealer a nominal collect charge, Stockett added. In-store booths with complete terminals and printers are available to dealers on a rental basis.

#### Activision files with SEC for public stock offering

MOUNTAIN VIEW, CA—Activision has filed a registration statement with the Securities and Exchange Commission (SEC) covering an initial registered public offering of 4,500,000 shares of stock. Three million shares are being sold by the company and 1,500,000 shares by certain selling shareholders.

The offering is expected to be made as soon as practicable, Activision said.

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Because of our advanced software design, one version works for all popular computers—including all

CP/M, MS-DOS, and IBM PC-DOS computers. You only need one software line to sell a wide range of hardware.

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Producing sales for you is a job we take seriously. We deliver state-of-the-art products, technical support, and the best margins in the industry. Customer service, technical service, and help with special applications are available through our customer service hotline. And our user guides—a key selling point in the retail setting—are the best in the industry.

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**Basic phones will account for 50% of all phone sales in 1983.**



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For over 22 years we've been devoted to remanufacturing telephones. We've never built or imported a single CB radio or car stereo. We're so good at what we do that we're a major supplier of remanufactured telephones to the telephone companies themselves. It's also a fact that every telephone company in America uses remanufactured telephones to increase their profits. So, what's with you? Chances are the phone on your desk was remanufactured by us. Why not pick it up right now and give us a call? What we've got to tell you can make a real difference in how profitably you participate in the exploding telecommunications marketplace.



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## OUR NEW BABIES.



## TAC-2

**Totally Accurate Controller™**  
JOYSTICK CONTROLLER FOR ATARI GAME, SEARS TELEGAME, ATARI 400/800, COMMODORE VIC.

If your joystick is like most, you can't feel when you have made a move. You only see it on the screen, when it's too late. Suncom has a solution. TAC-2. Totally Accurate Controller — 2 fire buttons.

With its longer shaft, arcade style ball top, and exclusive Suncom internal construction, TAC-2 gives you that extra control... you can feel absolutely, positively, for sure, exactly when you have made a move. And with its 2 fire buttons, TAC-2 is equally fair to left handers and right handers.

TAC-2 comes with Suncom's famous 2 year warranty. And it comes with something else. Totally Accurate Control.

## JOY-SENSOR

**TOUCH SENSITIVE JOYSTICK CONTROLLER FOR ATARI GAME, SEARS TELEGAME, ATARI 400/800, COMMODORE VIC.**

Our engineering staff has spent months creating, designing and refining the Joy-Sensor. The digitally simulated joystick controller with no stick, to bring you just the right combination of control and responsiveness. Now, the slightest touch is all that it takes to effect control movements on your game screen. Rock your finger or thumb back and forth, and it seems like Joy-Sensor has read your mind. Moves are executed much faster because there is no stick to move, no resistance to movement.

Your ship will fly across the screen as easily as light flies through space. Your laser rays will fire exactly when you want them to. You will never go back to your old joystick again.

**Suncom**  
6506 Anthony Trail, Northbrook, IL 60062

## StarFighter for apple

**JOYSTICK CONTROLLER FOR APPLE COMPUTER™**

You own an Apple Computer. You probably use it for entertainment and to play games. We think that you deserve a controller that is as up and keeping with new technology as your computer. So we designed one. From scratch. Brand new internally. Starfighter. For Apple.

Starfighter for Apple has many of its Atari-compatible counterpart's exterior physical characteristics. Round-cornered and smooth, it won't fatigue you over those long playing sessions. And internally, its new, advanced design gives you a kind of feel and response during game play that you have never experienced before.

Of course, Starfighter for Apple comes with a 2 year warranty. From your friends at Suncom.

\*Products and trademarks of Atari, Sears, Commodore, Apple Computer.

**See us at Summer CES Booth 3531**

## PERSONAL ELECTRONICS

### VIDEOGAMES

#### ACTION

**RABBIT TRANSIT**, Starpath. Atari VCS-compatible with Supercharger. Available third quarter.  
**SQUISH 'EM**, Sirius Software. Atari VCS-, ColecoVision-compatible. Available now. Suggested retail \$39.95.  
**STARGUNNER**, Telesys. Atari VCS-compatible. Available third quarter.  
**SWEAT**, Starpath. Atari VCS-compatible with Supercharger. Available third quarter.  
**TURMOIL**, Sirius Software. ColecoVision-compatible. Available this month. Suggested retail \$39.95.

### COMPUTER GAMES

#### ACTION

**ASTRO PATROL**, Synapse. Commodore VIC 20-compatible. Available now. Suggested retail \$19.95.  
**BLUE MAX**, Synapse. Atari-compatible. Available now.  
**DIMENSION X**, Synapse. Atari-compatible. Available now.  
**GRIDRUNNER**, HES. Atari 400/800-, Commodore VIC 20- and 64-compatible. Available now. Suggested retail \$39.95.

dore 64-compatible. Available now.  
**PITSTOP**, Epyx. Atari 400/800-, Commodore 64-compatible. Available third quarter.  
**REPTON**, Sirius. Apple IIe-, Atari 800/1200-, Commodore 64-compatible. Available on disk this month.  
**SALMON RUN**, Synapse. Commodore VIC 20-compatible. Available now. Suggested retail \$19.95.  
**SNOWBOUND**, DataMost. Apple IIe-compatible on diskette. Available now.  
**SPIDER CITY**, Sirius. Atari, Commodore VIC 20-compatible. Available on cartridge this month.  
**SQUEEZE**, Synapse. Commodore VIC 20-compatible. Available now. Suggested retail \$19.95.  
**SQUISH 'EM**, Sirius. Atari-, Commodore 64- and VIC 20-compatible. Available this month.  
**THE NEW HUMAN FLY**, DataMost. Apple IIe-compatible on diskette. Available now.

#### LEARNING

**FUN WITH MUSIC**, Epyx. Atari-compatible. Available in July.  
**TYPE ATTACK**, Sirius. Apple IIe-, Atari 800/1200-, Commodore VIC 20- and 64-compatible. Available now.

#### SPORTS

**ALL-STAR BASEBALL**, Epyx. Atari 400/800-, Commodore 64-compatible. Available third quarter.

#### STRATEGY

**DRAGON RIDER**, Epyx. Atari 400/800-, Commodore 64-compatible. Available third quarter.  
**GATEWAY TO APASHI**, Epyx. Atari 400/800-, Commodore 64-compatible. Available this month.  
**PSI WARRIOR**, Epyx. Atari 400/800-, Commodore 64-compatible. Available in August.  
**OIL BARONS**, Epyx. IBM PC- and Apple IIe-compatible. Available third quarter.  
**SHADOW WORLD**, Synapse. Atari-compatible. Available now.



JUMPMAN, Epyx. Atari-, Commo-

## Merchandising's TOP 10 TEN in videogame software

	Last month's position	Months on chart
1. Centipede (Atari)	1	3
2. Ms. Pac-Man (Atari)	2	4
3. River Raid (Activision)	3	4
4. Zaxxon (Coleco)	7	2
5. Pac-Man (Atari)	4	3
6. Pitfall (Activision)	5	4
7. Frogger (Farker Bros.)	6	4
8. Demolition Man (Coleco)	—	1
9. Golf (CBS Electronics)	—	1
10. Donkey Kong (Coleco)	6	4



## PERSONAL ELECTRONICS/CES PRODUCTS

### NEC brings home computer with music function to U.S.

ELK GROVE VILLAGE, IL—NEC has brought its PC-6000 computer to the U.S. market. The system is priced at under \$450, and attaches to any standard television or composite video monitor.

The PC-6000 features music, utilizing three independent sound generators with an eight-octave range. The music function allows users to create musical notes, chords and special effects and compose and play songs.

Using NEC's Z80 microprocessor, the system contains 16K RAM and

16K ROM which are expandable to 32K with an optional cartridge. In addition, the system contains a version of the Microsoft Basic with enhanced graphics and sound capabilities for use with joysticks. An RS232-C interface is provided.

The PC-6000 operates via a 71-key typewriter keyboard with 10 different functions provided by five function keys. In addition, there are nine colors that enhance text and graphics. A touch panel accessory, priced at under \$200, will allow users to draw color images directly on the screen.



NEC PC-6000 system

Peripheral equipment includes a mini-floppy disk drive, data recorder for cassette tape programming, 40-character thermal printer and two 12-in. display monitors, one in color, one monochromatic. It will also work with the PC-8023A printer.

NEC Home Electronics, Inc., 1401 Estes Ave., M, Elk Grove Village, IL 60007.

### GE enters retail telephone business

SYRACUSE, NY—General Electric's Audio Electronics Products Department has entered the consumer telephone business with its Advantage Series of electronic telephones.

Five telephones are available. Model 2-9100 is a full-featured desk-top or wall-mount extension phone with pushbutton dialing, one-touch redial and a lighted keypad. The suggested retail price is \$43.95.

The 2-9250 Hotline phone offers three one-touch emergency numbers. The suggested retail price is \$59.95.

The 2-9650 Voyager is a maximum range cordless telephone system with anti-piracy and clear channel piracy features as well as separate "any-room" recharge cradle. The suggested retail price is \$199.95.

Model 7-4700 Wake Up Call is a clock radio and telephone combination. Its suggested list is \$99.95. GE's model 7-4705 Call Maker, which is a step-up clock radio/telephone with GE Hotline telephone features, lists for \$115.95.

General Electric, Audio Electronics Dept., Electronics Park, M, Syracuse, NY 13221.



GE cordless phone entry

## Hollywood is grabbing for the profits in your pocket.



### Stop them. Now!

Hollywood makes millions from video cassette rentals—more than they make from showing movies on TV. But now they want money directly from your pocket.

The movie companies want to increase the price of renting video cassettes, perhaps cut out rentals altogether, and they're not bashful about how they do it. They simply want to change the law.

Until now, the "first sale provision" of the Copyright Act has protected your right to rent videotapes to your customers at competitive prices. Now, Hollywood wants Congress to change first sale and allow the studios to fix rental prices—or even require that all cassettes be sold rather than rented.

This legislation would squeeze many retailers out of business and make cassette rentals (if there are any) less convenient and more expensive.

When Hollywood controlled the movie theaters, their monopoly cost consumers millions of dollars before a string of court decisions finally loosened their grip. Now they have another anti-competitive plan to put their hands back in your pockets.

There's no time to spare. You can help stop them. Now.

#### HERE'S WHAT YOU CAN DO:

Call toll-free 1-800-368-TAPE to sign a petition to protect your rights. And write or send a mailgram to your two Senators and your Congressman in Washington. Don't delay. Use the message form at the right or compose your own message—and hurry!

(If you don't know your Senators and Congressman, ask your local League of Women Voters. You'll find them in the white pages.)

Sen. \_\_\_\_\_  
Sen. \_\_\_\_\_  
Washington, DC 20510

Rep. \_\_\_\_\_  
Washington, DC 20515

#### DEAR SENATOR (OR CONGRESSMAN):

Please oppose bills that would allow price-fixing on video movie rentals and weaken the law protecting individuals' rights to make free use of materials they have bought and paid for (S 32, 33/HR 1027, 1029, Mathias-Edwards). And please oppose unfair new taxes on audio

and video blank tape and equipment (S 31/HR 1030, Mathias-Edwards).

Please support S 175/HR 175 (Foley, Parris, DeConcini) to protect my right to record video programming at home.

Kindly let me know your position on these bills.

Voter: \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

### Game player uses body with Joyboard

SANTA CLARA, CA—Amiga, a manufacturer of videogames and controllers, has unveiled the Joyboard, a power body controller for the Atari 2600 VCS.

With the Joyboard, the game is controlled using the entire body. People can stand on it to simulate skiing, sit on it to simulate sledding or lie on it to simulate surfing. To complement the Joyboard, Amiga has developed a complete line of first-person videogames. The Joyboard can also be used with many currently available videogames, especially maze and invader type games.

The Joyboard is available in two versions. One comes on cassette for the Power Module (already introduced), and the second comes on a



Amiga Joyboard

ROM cartridge which can be plugged directly into the Atari VCS. They retail for \$39.95 and \$49.95, respectively, and will be on the market in July.

Amiga Corp., 3350 Scott Blvd., M, Santa Clara, CA 95051.

# LATE BREAKING NEWS



CBS Software has just become a bird of a different feather, with new programs in new categories unlike any you've ever seen. You can be the first to see them, at the Summer CE Show in Chicago. Visit us at Booth 5172, McCormick West.

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## Merchandising

# STORE OPERATIONS

In This Section:  
 NARDA Coverage ..... 116  
 Today's Financing ..... 117  
 Training Tips ..... 118  
 Security ..... 120

## Computer software program helps dealers buy right, sell smart and improve profitability

By Lee Rath, editor

LARGO, FL—Imagine having the brain of one of the country's leading retailers sitting in your office, helping you to buy right, sell smart and motivate your sales force.

It would enable you to increase your gross margin by at least two percent of sales. Sales would be increased by 10 percent. And inventory could be reduced by 20 percent or better.

In addition, this brain would virtually force you to be a better retailer, automatically doing all those little extras that you know you should have been doing for years, but have never

had the time. Thank you letters would go out automatically to customers. Dead products would be identified and priced to move. Unauthorized markdowns would be monitored. Rental programs could be fully controlled. And more.

What may sound like science fiction has become a reality in the Tampa suburb of Largo, FL. There, Henry Tyler, former owner of the successful Stereo Town chain, has in recent years turned his talents to computers. And what he has developed, according to Tyler and his legions of admirers, is a software program designed for the realities of retailing.

### Developed since '71

This program, Tyler Business Systems' Retail Management Information System, has been developed and refined by Henry Tyler continually since 1971 when he pulled the plug on the computer he had installed to run his chain of Stereo Town stores. The software, he decided, was just not applicable to his operation. It did not take into account the needs of a retailer involved in negotiated selling, one who rewards his salespeople via spiffs and commissions. In addition, it was too hard to operate, and the volumes of information it generated were easier to ignore than to use.

So Tyler hired a programmer and promptly put him to work in a store for six months so he could learn retailing before being turned loose to develop a software system.

What has emerged, according to Tyler, is a program that "will return control of the store to the owner. In

most cases," he said, "salesmen run today's stores. They decide what will sell and how much it will sell for." Their enthusiasm (or lack of it) dictates what products will move and what will not.

By programming his philosophy of merchandising into his software, Tyler believes he is helping store owners tighten up their operations and improve their profitability.

### Designed by a retailer

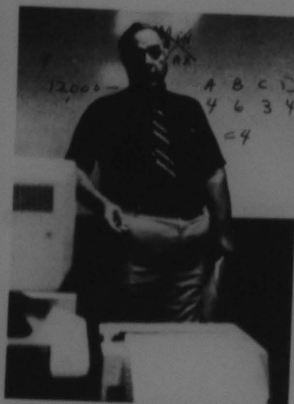
What makes the Tyler software different from others? John Zraick, national sales executive, explained that first and foremost, it is designed by a retailer for other retailers. "This program is Henry's legacy. He is the mastermind," said Zraick. "Henry believes that the computer itself must be a profit center for the store—it can't just be an automated book-keeper. It is a tool."

So the program is designed to make sure retailers "buy right, sell smart and motivate their salespeople" in the Henry Tyler style. Zraick explained: "This is something most larger stores have always done. But the computer now puts these capabilities into the hands of retailers of all sizes."

In addition, the Retail Management Information System:

- maintains a perpetual inventory for each item in stock. It can generate a sales history on a monthly, quarterly or year-to-date basis and tell the last date each item was received and the last date each was sold, along with other information.

(Continued on page 121)



ONCE A RETAILER, Henry Tyler has developed a computer software program that he says is based on "real-life retailing."

## Show product, educate consumers with Media Cubes

By Irene Clepper, contributing editor  
 MINNEAPOLIS—Several computerized cubes are being used as silent salespeople at Dayton's department stores.

Dubbed Media Cubes, the units measure 25 by 32 in. and feature a two-ft.-sq. projection screen on one side. Each cube contains a slide projector that is computer-synchronized to operate in tandem with other cubes. The units can be grouped (at least two, no more than five together) to create a multi-screen effect.

John Pellegrine, senior vice president of marketing, told *Merchandising*, "A lot of products require explanation. But in many stores, there is a diminishing number of people to service the customer. The Media Cube has the potential of showing people, very graphically, how to use a wok, what a word processor can do."

"Anything that is in a package or difficult to interpret is a logical subject," he added. "A vendor, for instance, has an opportunity to show his entire line. Some have indicated that they want to own the cubes and place them at will. They can do that."

One thing the cubes will not be used for is to run TV commercials in the store. The cube and the TV, said Pellegrine, "are two different media. The problems with a lot of audio/visual advertising is that it is taken from the living room to the store floor, and you can't interchange them."

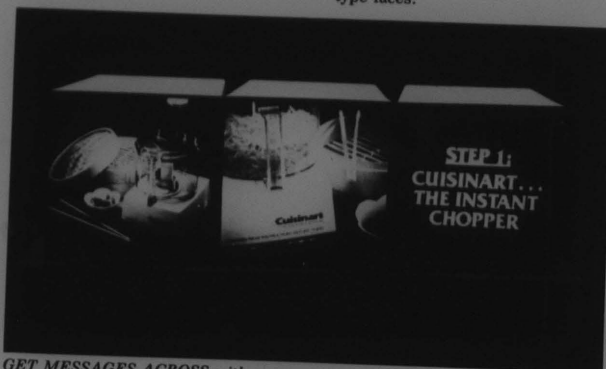
Dayton's visualized the idea of the cube, but turned to another company,

Associated Images, to produce them. They are made of fiberglass. Sound, designed to synchronize with the slide show, emanates from the bottom of the cube and is provided by a continuous-loop audiotape.

The Media Cube is now being tested at Dayton's. Pellegrine said he sees the store starting with 20 sets of three, used round-robin to tie in with specific product promotions. They may eventually be used in all Dayton's outlets. "Once you roll it out, it's extremely inexpensive for multiple stores," he said. Presentations will be changed about every four weeks.

The Media Cube, Pellegrine noted, represents a fairly inexpensive way to get the message across. "It's a quick show. A customer can take in 10 or 20 or 30 seconds of information, although the whole show could run a minute or two. The presentation is designed for segmented absorption."

He is dedicated to the idea of moving beyond conventional advertising media. "We have to translate away from paper and print," Pellegrine said. "We must take the power that communications people have and get it into other fields. Redirect that force. Expand beyond type faces."



GET MESSAGES ACROSS with computerized cubes which help fill in for the diminishing number of sales clerks. Dubbed Media Cubes, they are currently in use at Dayton's in Minneapolis.



# Computer program allows retailers to better track inventory

(Continued from page 115)

- is a "transaction entry system," which means it can handle delayed-delivery or special-order sales as well as take-with sales, which make up the bulk of all hardgoods transactions.
- helps eliminate errors. When a sale is made, inventory is affected immediately. But before other areas of the program are changed, the information goes into what Tyler calls Purgatory—a holding file where it can be monitored by management. Once approved, only then will it go on to affect accounts payable and receivable, the general ledger, commission calculation, asset depreciation, the salesman's transaction journal and even the mailing list.
- eases operation. All the above, Zraick explained, "can be done off of one entry."
- reports sales by location, salesman, department, vendor, product type and item to give the store owner a clear picture of his operation's performance.
- allows salesman compensation programs to be almost infinitely variable. Each store can assign any one of six commission plans, ranging from

zero to 100 percent, said Zraick. Each can incorporate up to 20 variables. Split commissions can be paid. And spiffs can be awarded instantly, and in cash.

- reconciles purchase orders with accounts payable to make sure a supplier is billing the store for the amount that has been negotiated for each individual product.

- offers a payables package that allows for back-dated checks to take advantage of discounts lost by a couple of days.

- posts most accounts receivable transactions through sales transaction processing.

- tracks book value and accumulated depreciation for each fixed asset, or group of assets.

- interfaces the general ledger with sales transaction processing, accounts receivable, accounts payable and payroll.

- handles many routine letters with a word processing module.

- and offers a report generator that allows the user to access files using English language commands while doing math calculations. This can enable him to create new reports and develop new data without the aid of a programmer.

As options, the system: can be used

at point-of-purchase, is capable of capturing a customer's planned "next purchase" and advising the store when the anticipated date rolls around; tracks unauthorized mark-downs; generates thank you letters automatically; produces a monthly sales transaction journal that can help cut internal shrinkage; tracks serial numbers, and tells how many days in the previous month any product was in stock.

It can also: monitor all buying, selling and motivation selling functions on a single report; break down reports by store or geographic re-

(Continued on page 122)

## We sweeten our inventory financing deals with some extras for your bottom line.



Even the way you finance your inventory can contribute to your profit. Or take away from it.

At Westinghouse Credit Corporation, our package of extra services for inventory financing can pay off where it counts: in your profits.

For instance, we can save you the cost of inventory insurance. Our No-Cost Inventory Insurance\* plan covers all the stock that you finance through us, at no extra charge to you. Our Keylife\* and Keyhealth\* insurance plans provide protection for you and your employees at reasonable group rates. And they're all billed on our one regular monthly statement. So you save money, and have fewer details to worry about.

In addition, our inventory financing can help smooth out your cash flow. So you can advertise more, or take advantage of special purchase opportunities. And that can mean more sales.

WCC inventory financing: the extras we give you can contribute to your business. On the bottom line. Call Wes Kimball, Marketing Manager, collect or write to find out more from our business professionals. 412/255-3500. Westinghouse Credit Corporation, Financial Services Group, One Oxford Centre, Pittsburgh, PA 15219.

\*Subject to insurance company approval.

**We can help you do business a whole new way.**

**WCC** Westinghouse Credit Corporation

## Cooperate fully with thief during a store holdup

(Continued from page 120)

- Give the money to the holdup person and let him go on his way. Cooperate fully.

- Tell him what you're doing and why. Use "yes" responses as opposed to "no's." Positive responses make the robber believe he has everything under control.

- Warn him about any surprises.

- Give the impression that you've had experience.

- Don't argue or fight, and don't use weapons.

- Don't chase or follow the robber.

"The most dangerous period often occurs after the guy has got the money and is uncertain about what to do with the clerk to increase his chances of getting away," Johnson said. "That happened to one of the clerks we trained."

"The robber stood there, kind of uncertain, so the clerk said, 'The last three times I was robbed, they told me to lie down. Do you want me to lie down?' So the guy said, 'Yes, lie down.' She did and he was gone," related Johnson.

Asked to profile the average holdup person, the consultant noted he is usually male, between 17 and 25 years old, equally likely to be black as white, and often wears loose garments with the shirt out. "He just appears at the door—he doesn't pull up in front with a car because it's probably parked on the side."

"He looks around, picks up a small item, and then pulls out a gun at the last minute," he said. "The scenario is not much different from a bank robbery—it's a very direct crime. They just get the money and go."

Johnson, who was granted a full pardon, had one last piece of advice for the merchants—"The private sector needs to get involved in crime prevention. I don't believe law enforcement alone is really going to solve the crime problem. It will take a combination of community crime programs." Take it from one who knows.

## NARDA exhibits feature programs offering celebrities, inventory insurance, computers

(Continued from page 116)

degree," said Charlow. "We're no longer selling just check insurance, we're marketing a method of payment."

**General Electric Credit Corp.**, Stamford, CT, was emphasizing the fact that it is alive and well and maintaining a strong commitment to the industry. "Some people felt that we had pulled out 12 to 18 months ago," said Bruce Seater, project manager. "But what we were doing was closing down hundreds of smaller offices and consolidating them into 25 regional business centers."

"We are now structured for the Eighties," he said. "The centers are staffed by specialists and most are automated. They can serve our customers in less time."

Meanwhile, **GECAF** told NARDA members it would continue offering programs designed to bring customers into the store. An April-May promotion under which GE or Hot-point appliances bought by customers were payment-free until August would be followed by a similar program in July and August, said Joe Daily, manager of program development.

**Borg-Warner Acceptance Corp.**, Golden Valley, MN, promoted the fact that bankcard sales through its dealer network are now being processed by Citicorp. John Miller, vice president and national account manager, explained that this service gives retail-

ers a quick, national way of checking a cardholder's creditworthiness.

It also will give the dealer faster turnaround time for his reimbursement and a lower-than-normal rate of payment for the card's use. "It is a strong sales tool for the retailers," said Miller. "The program definitely speeds things up."

**Westinghouse Credit Corp.**, Pittsburgh, introduced two new programs, as explained by Wes Kimball, group marketing manager. The first is a bank card program which has been set up with a national bank. Under it, a dealer who finances his inventory through Westinghouse gets a lower-than-normal discount rate on credit card sales.

The second program, being conducted in conjunction with a national retail financial institution, offers contract financing for consumers, Kimball said. In addition, the company continues to offer free inventory insurance on all inventory financed through Westinghouse as well as other insurance packages.

**General Electric**, Louisville, KY, introduced NARDA members to its computerized instant ordering and information service, GE 724. F.J. Brooks, manager, distribution programs, reported that all sales counselors in the Northeast are now equipped with tone-generating terminals that allow them to access the central GE computer from any telephone. All sales counselors should

have them early this summer, and individual retail customers will start receiving the terminals later this year.

The system, which gives customers access to the GE computer around the clock to order product, check order status, track co-op balances and handle other functions, has been well received thus far in its rollout, Brooks said. "It will improve both the retailer's productivity and his ability to serve his customers."

**Images International, Inc.**, Baltimore, explained its advertising programs, based around a thematic promotion approach. "We give the store a total marketing and merchandising concept developed around a central selling theme," said Jay Odom, national sales manager. "It gives the store an umbrella to work under, one that's tailored to the individual client."

The company uses personalities such as Frank Blair, Forrest Tucker and the consummate southern huckster T. Buff for some of its promotional packages that can include print and electronic media advertising as well

as in-store materials. "These are not cut-and-dried packaged ads," Odom emphasized. "Each promotion is customized for the individual store."

**Sound Concepts, Inc.**, Los Angeles, demonstrated the types of radio ads and animated TV commercials that it can make for retailers. While the company has a list of stock characters, backgrounds are customized to the individual store so a dealer can have his own signs, products, etc. in a TV ad. The voice track also changes.

For TV, the company offers seven animated intros and an address locator. Seven corresponding radio spots and newspaper slicks of the animated characters are also available.

"We guarantee market exclusivity," said Mark McIntyre, president.

**Dismar Corp.**, Pennsauken, NJ, offered sign kits for in-store promotions. "We have 100 themes," said Stanley Silverman, vice president of marketing. "They range from sidewalk sales through Mother's Day through grand openings."

The kits come in three different sizes and feature banners, posters, mobiles, hang tags and other items. Dismar will also customize kits, if the order is large enough.

What are the most popular kits this year? "Those advertising sales," said Silverman. "It's the poor economy."

## Tyler computer system users report sales up, inventories down 20-25%

(Continued from page 121)

gion maintain customer service files; control rental programs; keep accounts receivable and payable files on line as long as 15 months, and track the cost of special projects.

In addition, it can: store and generate mailing labels; tell the optimum stock level for a product by tracking such information as trailing sales, season, turnaround time, quantity on order and quantity on hand; store future price changes to be put into effect on a specific day; automatically handle sales of prepackaged products

an annual renewal fee provides them with software updates, daily contact with Tyler headquarters if needed, access to users' group meetings and other support.

**Merchandising** caught up with Tyler at a recent two-day users' group session involving audio/hifi dealers now using his software. The dozen or so retailers were gathered to learn more about the fine points of the program, find out about upcoming modifications, ask questions and make suggestions about any changes they'd like to see.

The group was more than enthusiastic. Howard Treshansky, owner of Look and Hear in Chicago, reported that since he had started using the system he had cut his inventory by 25 percent, and said that 60 percent of that was directly attributable to the program. In addition, he had been able to boost his margins "significantly," with 3½ points attributable to the computer.

**Harry Leiser**, owner of Leiser Sound, Groton, CT, reported that he had been able to boost his margins by two percent for a 25 percent increase in net profit. "But the best part of the program is its motivational aspects," he said, "along with the fact that I can now determine profitability by store."

And **Brad Bolotin**, president, Wild West Sound Co., Las Vegas, reported that he had experienced a three percent increase in gross profit margin during his one year with the system along with a 20 percent drop in inventory and one extra turn per year.

The interaction between Tyler and his customers at the meeting of the users' group was, to say the least, spirited. It was obvious that they spoke the same language, and by working closely together were learning how to use and improve a retail software system that is as much a philosophy as it is a program.



**THE RIGHT SOFTWARE** can help computerized dealers to "buy right, sell smart and motivate their salespeople," says John Zraick, national sales executive with Tyler Business Systems.

with a single entry; issue quotations on a product without committing inventory, and handle special accounts receivable, such as those for installment contracts.

### Program evolves

The Tyler system is what Zraick calls "live software," in that it is constantly evolving. Clients do not buy the program; they lease it. And

## Candy-making accessories help microwave dealers sell more ovens

(Continued from page 101)

one of our stores quit and started her own candy business. She buys the chocolate, buys the molds, does the advertising, brings in the stock, does everything," he explained.

About 10 percent of Atkins' display space is devoted to the chocolate, molds and flavorings. "It doesn't take up a huge area by any means," he commented.

**Ann Smith**, who owns five stores in Santa Clara County, CA, has had candy-making goods in her outlets for about a year. "We have the chocolate in a basket and one shelf of molds in each of the stores," she said. "And we've incorporated candy making into our cooking classes. When we do special classes just on candy, we often triple our volume."

Another unique aspect, Smith noted, is that "the candy gear sells without doing anything. Word of mouth lets people know you have the chocolate and the molds. But the accessories have to be demonstrated," she emphasized. "Otherwise, people don't know what to do with them."

A drawback, however, to the candy business is that there's a lot of research involved. "It took an enormous amount of setup time—about two months," Smith told *Merchandising*. "There are a lot of different chocolate manufacturers and there are a lot of different mold manufacturers. You've got to check them all out."

Franchisee **Wendy Byrd** also

noticed an increase in traffic after she brought the candy business into her Oakland, CA store. "We've had it since last September, and we found people who hadn't been coming in and people who had never been in our store were doing so," she said.

"Although a lot of people are walking in with the intention of buying chocolate only, many of them walk out with an accessory. It also helps bring people's attention to the ovens if they haven't yet bought one," she noted.

Every quarter, Byrd devotes a cooking class to candy. "Usually, they're held before one of the big holidays," she pointed out. "Our mold sales really shoot up after the classes where we demonstrate candy making. You've got to demonstrate them to really sell them. Our best luck has been with peanut butter cups and bars."

To make things a little bit easier on herself, Byrd buys the chocolate through a distributor. "You do make more money when you buy direct from the supplier but we'd rather have the ease of getting product. If I need one or two of something," she said, "I just call and it'll be shipped out with no problem."

Even though there's a good profit on the candy gear, Byrd stressed that a dealer can't lose sight of its main purpose: to help sell ovens. "You show the customer how to use the microwave to his maximum advantage. Candy is just another outlet for doing so."



## EIA tends to computer biz, growing pains of CE Show

(Continued from page 72)

manufacturer, however. We're not going to get involved with the distributors."

**Merch:** What services does the group plan to offer its computer division members?

**JW:** "As an association, we do four basic things: gather statistics; handle engineering; keep an eye on legislation, and promote industry development."

"Right now, most of the statistics are being published by several research houses. I would say Portia Isaacson's Future Computing is probably the best. But we want to wean the manufacturers into our area. It takes a long time to get the people together, but we've started to get organized in this area. Hardware will be the first front."

"There really isn't any engineering that needs to be done in the industry. As for legislation, we supported the computer bill in Congress, that type of thing. And when it comes to industry development, we have the shows, our publications and special events such as the computer arcade we did with the Corcoran Art Gallery here in the capital."

**Merch:** How has the computer's emergence affected the Consumer Electronics Shows?

**JW:** "I would say that at last summer's show we had 30,000 to 50,000 sq. ft. devoted to computers and videogames. Then, at the winter show there must have been 100,000 sq. ft. It's difficult to figure, because how can you surgically cut the computer space out of Panasonic and the other diversified?"

"So this summer we've had to add McCormick Place West, an entity of its own that we have not used before, and turn it into a computers and games world. That's about 150,000 sq. ft., and every nook and cranny is filled. We are also holding a series of workshops there that will concentrate on computers."

**Merch:** What will happen next winter in Las Vegas?

**JW:** "There, the facilities are already full. We've taken every inch of the Convention Center, the Hilton and the Riviera. So we're looking at a pavilion, a temporary 100,000-sq.-ft. building that will sit in the parking lot, off the South Hall, and run all the way to Paradise Road. It will be called West Hall."

"That will give us 100,000 sq. ft. that will be only for software. Hardware will occupy another 100,000 sq. ft. in the Convention Center."

**Merch:** You have talked about moving the summer show to New York. Why?

**JW:** "We find that we have great problems with Chicago. There are problems with the facilities because we're in four locations: McCormick Place, the McCormick Inn, the Conrad Hilton and now McCormick Place West. That's trauma for any show. We only have 33 hours in which to do business, and traveling from place to place takes time, it's chipping away at the available minutes."

"They've said that they are going to add onto McCormick Place. But now the mayors have changed, and we've heard nothing more about it. It just came to a screeching halt. Even

that would take three to four years. We may have to look at a temporary pavilion there too, but I don't know where we'd put it."

"In addition, they just don't have the hotel rooms in Chicago. They've added no new rooms for the past four years and they plan to build none. In fact, they're going to close the Conrad Hilton down in '85. It's going to be half down in '84. They're going to revamp the hotel and reopen in '87. But in the meantime, that's trouble for us. We lose the rooms and the facilities."

"Also, the show needs 25,000 rooms. Chicago has them, but 7,000 are out at the airport, which is another problem because it's so far away."

**Merch:** What is the current status of the proposed move?

**JW:** "The Consumer Electronics Show Committee voted to look seriously at New York last October. I prepared a white paper and presented it to the board at the March meeting. Now, the direction is to go into serious negotiations with New York about rooms, transportation, the hall, etc. At the end of the summer show, I am going to go back and tell them what we have accomplished."

"Now there have been stories in the papers about the convention center in New York being behind schedule. That seems to be political. I think the story was planted to make sure things get moving."

"But we would not move into New York until there has been a six-month window of a full, complete operation. We would not go in on a shakedown cruise. The center was supposed to open in May '84, which meant we could have been there for the Summer CES in 1985. But if it's

not open and going full blast by January of that year, we will not be there in June."

**Merch:** What are some of the other advantages of moving the Summer CES to New York?

**JW:** "New York would give a fresh look to the show. When we moved the winter show to Las Vegas, we quadrupled it. Plus, it would balance the

East and the West. We are now a Midwest and a West show."

"New York is also the media capital of the world, and an international center. It's hard to get into Chicago from overseas. You've got to make a stop in most cases. The hotels and restaurants you can't even compare to Chicago. It's for those reasons New York is on our mind."

## Game promos, new packages abound

(Continued from page 52)

will receive a mail-in offer for gift certificates at Wendy's restaurants. P-o-p cards, hats and aprons will be provided to dealers. In addition, Mattel's \$50 cash rebate on its Intellivision game system has been extended to June 29. Eligible consumers must buy an Intellivision and any two Mattel Intellivision cartridges before June 29.

Activision also has promotions in the works. They include a national \$35,000 Katch The Krock giveaway for its Keystone Kapers game. A rub-and-win card is packed with each game.

The firm's Happy Trails game is being launched with a \$35,000 sweepstakes promotion and the stakes are even higher for its Enduro road-racing game, a total of \$75,000. Purchasers must fill out an entry card at point-of-purchase displays.

Imagic will introduce, as promised, games for ColecoVision at CES. In total, over a dozen titles for six videogame and computer systems will be shown. The company, which generated over \$75 million in sales for the fiscal year ending March 1983, is preparing its first title licensed from a coin-op game, Buzzer.

Epyx is giving its product a facelift. President Michael Katz outlined three changes in packaging. First, Epyx has established a symbol: Rodan's Thinker holding a joystick with a computer

graphics scenario behind him.

"We have also developed package art that is closer to what the consumer actually sees on the screen," Katz added. Third, a three-symbol coding system will tell the consumer whether the game is action, strategy or both. The symbols include the Thinker, a joystick and a mortar board. The new packaging and new games will roll out in the late summer.

Sixty-five vendors are now enrolled in Softsel's current co-op ad program. Dealers doing at least \$1,000 worth of business a month with Softsel receive a statement which tells them (among other things) whether they are able to receive co-op. The advantage, according to Bob Leff, president, is that dealers are not required to run an ad featuring any one vendor. Instead, they can use any on Softsel's list of 65. And they only have to go through one source instead of all 65, he pointed out.

### Peripherals repackaged

TG Products is giving its game controllers a new look with new packaging designed to be more attractive and fit better on the retail shelf, vice president Don Geyer reported. And TG will wrap that packaging around software produced by the firm's new software division. The boxes will carry UPC codes, have art on the front, game screens on the back and feature a new TG logo.

## Consider these measures to turn ailing business around

(Continued from page 117)

periodic, short-term basis, perhaps weekly, by a lender who has been granted super-priority status.

4. It must be emphasized that management of the debtor company must openly and honestly evaluate its own performance. A workout with the debtor continuing to operate the business can only succeed if the creditors have confidence in management's ability to correct past problems. If mistakes were made by management, it is best to admit them and show the creditors that the problem has been resolved.

5. Management may be forced to consider measures previously unpalatable. This could involve a sale of the business or the sale of a division or other assets of the business. Compensation and benefits to management may be scaled back or restricted. Additional equity may have to be brought in requiring owners to relinquish a portion of their stock.

### It pays to help

Why should creditors be willing to help finance your business through a settlement or payout? There are many good reasons if other sources of financing are not available. Assume company ABC has been doing business for five years, owes a million dollars and has assets of a million dollars. A quick sale or forced liquidation is not

needed, but the company is losing money and cannot pay its bills because of very serious cash flow problems. Let's also assume the industry is one in which there is hope for the future; and, with management changes or other restructuring, the problems resulting in losses can be corrected. Let's assume further there are some bad leases involved, and the creditors want their money.

If other financing schemes work, it would be easy to give up. But in such cases, not only the company, but also its investors and its employees are the losers. What about the creditors? Under a forced, quick sale, they may get only five cents on the original inventory cost dollar. One company recently went under with inventory on the books for approximately \$4 million, but the secured creditors got only \$75,000 during the liquidation. The net effect is that secured creditors often lose money when they appear to have sufficient assets to protect them and general creditors often wind up with nothing.

Let's assume that an arrangement is offered in which the debts are spread over 60 months, starting six months down the road. This may be good for the creditors and good for you, because you gain the cash flow you need to stay in business. It might permit you to bring in additional goods through one of the many

secured arrangements for the creditor. You may even have the cash flow to pay C.O.D. on goods until you can prove yourself to your creditors again. The creditors will not have to incur enormous legal expenses to proceed against you. Credit managers know that if they have to go to court and the company pays the entire amount owed, their attorneys will take half of the amount anyway. In addition, it will take years to collect, if they collect at all.

Experience has shown that creditors usually wind up with very little, if anything, through a bankruptcy situation and that they are generally better off accepting a reasonable workout. Many firms agreeing to a payout will take a full tax write-off on the debt at the time of the arrangement, since by legal standards a company which is not capable of paying its debt is in fact, bankrupt, even if not declared so in court.

Over the years, they hope they will be able to recoup through continued profits from the sale of merchandise, equipment or other items to the debtor company.

A workout is a difficult and trying experience for all parties. It represents a failure of prior expectations and an attempt to salvage what is possible. When the only other alternative is liquidation, however, it is usually the lesser of two evils.



# Yankee Group speakers debate computer's future

(Continued from page 66)

puter for the home segment won't be ready for another 16 months, Kidrin added.

Chris Bowman, director of marketing, Apple Computer: "The computer industry must reach the point where hardware and software become transparent to the consumer. He would instead look for a specific application in a computer, and find it."

Apple is currently introducing the Lisa model, complete with its electronic mouse controller, to the business market.

Myrdin Jones, senior vice president of sales, Commodore: "In the long run, it is not our job to pre-sell the product, or sell to customers on the floor. Retailers do a better job of that. They must develop their sales staffs to sell computer product."

The key to future existence in the market, where dealers can make money and do volume on peripherals as well as the computers, is in selling packaged systems, Jones continued.

Clive Smith, senior analyst, The Yankee Group: "The microwafer software format offers the possibility for manufacturers to standardize around a common medium. The tape drive's production cost runs well under \$20, and five to 50 ft. of tape length would cost about 50 cents to make. Right now, the microwafer is capable of holding 128K of memory. Soon 256K will be a reality, and

capability will probably be able to go to 500K of storage."

The speed in which information could be accessed from a microwafer clocks in at eight kilobytes per second, versus 300 bytes per second for cassette storage, he noted.

Among Smith's predictions for the rest of the year was the one that IBM would be a major player in the home market, with its "Peanut" intro having 64K capability and being PC-software compatible. The company, he said, has already sold more PC's than it had planned for the entire life of the product.

Smith also expects to see a \$50 Atari VCS, \$69 Mattel Intellivision and \$120 ColecoVision at retail by the year-end. Home computer prices are likely to follow the trend downward.

David Wagman, chairman, Softsel Computer Products: "In the past six months, the top-selling 50 entertainment titles (running on Softsel's best seller list) have come from 49 different publishers," which demonstrates the value of the distributor in the marketplace today.

Returns are becoming more of a problem as the market grows, Wagman pointed out. Softsel's rate is running close to seven percent from the three percent figure of a year ago. The company looks at about 350 unsolicited products per month, and four to five percent of those are picked up.



MAKE MONEY and move peripherals by selling packaged computer systems. Commodore senior vice president of sales Myrdin Jones tells dealers.

Barbara Isgur, assistant vice president, Paine Webber Mitchell Hutchins: "The issue of home computer utility is still a problem, but affordability is no longer a factor. There is a tendency to overestimate potential as in the cable TV area, regarding how much money people spend a month at home. The industry

must avoid making an overestimation in the computer area. People won't want to do everything available to them."

Can presently installed computer bases be leveraged for future growth? Isgur also asked. Will keyboard expansion modules sell for video-game-only machines? Will educational software for the home be a sales success? What about changes in distribution patterns—will electronic distribution be a viable channel for investment? Just because the technology exists doesn't mean it will flourish, she concluded.

Gene Tremblay, vice president, Wellington Management: "The electronics area is witnessing a time of 'profitless prosperity,' but the consumer has enjoyed it."

Because of kamikaze pricing and the pace of technology speeding out of control, saturation levels may be too short and reached too quickly, Tremblay continued. In the home computer market he doesn't see the potential for applications to the extent that the industry does. More applications will be found in the home/business system, for the work-at-home market, but Tremblay said a sharp saturation curve exists there.

## Two-tiered society posts challenges

(Continued from page 105)

reasons why someone would not go with one or two major credit cards with major lines of credit." However, noted Lesly, if "we do increase the proportion of people who are illiterate, the question of interest rates on credit purchases will become more of a government issue."

In his formal remarks, Lesly touched on some other aspects of a growing lower-tier society that would affect appliance retailers and manufacturers alike.

For example, he warned, AHAM members "will feel mounting pressures to employ members of unqualified groups." And there will be a constant challenge to "reach, teach and motivate these employees" without recourse to corrective action even when clearly indicated.

While Lesly felt a two-tier society

should be viewed as representing an opportunity to astute marketers, the concept was viewed as "lethal" by another AHAM speaker.

According to J. Bruce Johnston, senior vice president, U.S. Steel Corp., a growing "underfed, undernourished" segment will be the object of funding that already amounts to hundreds of billions of dollars. He expressed concern that solving the two-tier problem should not involve "draining the assets of the income-producing sector."

The chief executive of one appliance company—reacting to the AHAM speakers—told *Merchandising* he believed "we already are at a two-tier system of products, but not because of the illiteracy situation." This situation will worsen, he agreed, which might bring on more in the way of bare bones product lines.

## Blank floppy disks hit mass retail

(Continued from page 65)

free Peachtree Access Pak. This Pak includes Information Access, which allows users to extract information from a Peachtree accounting program for use with Peachtext 5000. Also included are three file converter programs to make EasyWriter, Wordstar and Visicalc files usable with its program. A \$525 value, the Access Pak will be available for the coupon plus a \$10 charge for shipping and handling, Dyer said.

### Blank software moves in

On the blank software level, TDK, which now distributes its disk products through business product outlets, is studying whether to hit the market on the retail level, according to Frank Kramer, national computer products manager. "We may decide by CES," he said. "It would mean developing p-o-p displays, new ad programs, etc."

The company entered the U.S. floppy disk market late last year with two eight-in. and three 5 1/4-in. products.

It is now showing both a three-in. and a 3 1/4-in. floppy disk. Kramer said TDK developed both because "we cannot predict which of the competing disk formats may become the official standard or win out in the marketplace."

Maxell's computer product division announced that its three-in. floppy disk is now available as a packaged item. National sales manager Mark Welland said, "We predict it will take over about 30 to 50 percent of the 5 1/4-in. disk market in four to five years."

The company also redesigned the

packaging graphics on its line of eight-in. and 5 1/4-in. lines.

Meanwhile, BASF Systems Corp. declared that it plans to reach computer retailers primarily through wholesalers. Sigmar Tullmann, director of marketing for the computer products division, explained: "Selling to retail stores directly, although tempting in the short run, is impractical to us in the long run."

Some retailers, however, such as audio/video stores that carry personal computers, will continue to be served by BASF's network of manufacturers' representatives and distributors.

## Videogame newsletter prods employees to sell

(Continued from page 57)

supply problems. "Each store gets two copies," Montjar explained. "One goes in a notebook kept near the games for easy reference and the other is tacked up on the wall in the back room. All the store managers require their people to read it. Some even quiz them on an informal basis."

He continued, "I've gotten a lot of positive feedback from the stores' personnel on the newsletter. They tell me they think it's great and to keep it coming. They really like reading it. It gives them more confidence in selling the product because they know more about it."

Besides the newsletter, "we've tried to cultivate one or two 'video specialists' as we call them, who concentrate on selling video," Montjar noted.

## E.E.R.'s will be pushed to sell major appliances

(Continued from page 110)

energy savings and has, therefore, disdained selling E.E.R. But he is rapidly becoming a merchant of the past and it's the knowledgeable consumer who's forcing his hand."

The result of all of this renewed marketing activity, said Neretin, is that the industry will witness the sale of over 320 million appliances—including microwave ovens and trash compactors—in the 10 years spanning 1983 through 1992. This figure would signify a gain of over 35 percent in unit sales against the prior 10-year period. Dollar sales are expected to be well over \$160 billion during this period.

It's no surprise then that there is evidence of increasing new participation or the re-entry of the utility in the promotion and merchandising of major appliances in attempts to build and ensure continuing fuel usage gains, Neretin observed. This trend, however, can have both positive and negative connotations.

"In an environment that appears to be charged up for major appliance

sales, any effort that whets the appetite of the consumer is absolutely right," he said. "But these efforts must provide benefits visible to all involved and they must be cooperative, not adversary."

Neretin suggested that the utilities take another look at today's re-inspired dealer. "He now appears to be ready, willing and able to work with you to satisfy both his and your aspirations."

"Today, the independent retailer—over 20,000 strong—has become more primary than he has been for the past three decades in the movement of major appliances. And, if he can't make it in other product categories, he is more likely than not to be pushing twice as hard in major appliances for survival, if nothing else. He is rapidly becoming a very worthwhile and renewed target of opportunity for both the manufacturer and the utility," Neretin concluded.

Training Tips: page 118

# **Merchandising**

A GRALLA PUBLICATION

JULY 1983

**Home and Auto Electronics Housewares Appliances**  
THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS

**A CATEGORY  
IS BORN**

# **Home Healthcare**

**Four major forces describe  
their housewares philosophy**

*Sur La Table*

**BEST**

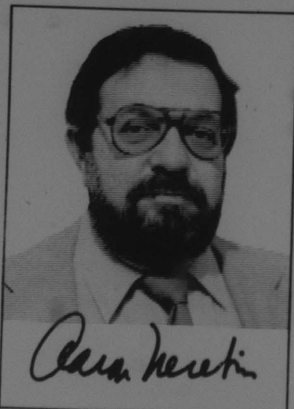
*Maas Brothers*



**Summer CES Report:**

- 'System' is the buzzword in merchandising computers
- Video shortages send dealers scurrying for supplies
- Videogame makers cross over the computer line
- Manufacturers move to solve cordless phone problems
- Software shortage limits distribution of CD players
- Cut-rate peripherals add sizzle to computer market

**Vendors announce big plans for little microwave ovens**



**Editorially Speaking**

## Bop. bang. whack. wham. zowie. zap. there's a technological revolution on tap

The recent Consumer Electronics Show in Chicago didn't just come and go. It proved to be a happening that may very well have been the foundation for the next two decades of a massive technological revolution in consumer products.

The revolution has been coming for some time but it really didn't jell until the entire distribution system "got religion." A casual stroll through the aisles of McCormick Place and the computer product masses at McCormick West was almost a religious experience. The sermons were being delivered by computers, computer software, compact disc audio and a new generation of video hardware and software equipment. And the parishioners—the largest number of distributors and retailers of consumer electronics products to ever attend the CE Show—were responding with resounding choruses of amens.

The consumer electronics industry is listening, fervently, to the call of change. The big question is, can the industry change quickly and smartly enough to heed the call?

How do we merchandise and sell these technological developments? How do we buy them? How do we inventory? How do we train our sales forces? What type of person do we need on our sales floor to deliver the image message? How do we position

the newer technologies against the older but still highly viable audio and video products that have represented bread and butter for our tables over the past two decades?

All of these questions—plus—are going to be answered in one way or another before the year is out. Hopefully they will be positive and correct responses to the technological sermons we've been hearing.

Enough said for now. But don't be surprised if we keep pounding on the technological revolution theme over the next couple of months. The dynamics are hard to fault.

\*\*\*

The Housewares Show presents yet another revolutionary phase in making product available to the consumer, though it may not be as dramatic as the ongoing electronics movement.

Healthcare, vacuum cleaners that will almost clean your house for you while you bark commands, clocks that will make sure you either get up in time to bark those commands or will do the commanding for you and personal care products that will do you from head to toe for fitness and beauty lead the parade even as basics in home cooking and entertaining go into dramatic gains. We should be in for yet another super show. More on

this in next month's column.

\*\*\*

We tried, but there was no way we could pass this one up.

If you can't make it one way.....

Or, old appliance dealers never die.....

Or, how to get one's foot in the door.....

CHICAGO - (UPI) - A callous "flat-foot" put a quick end to the 77-year-old Joseph Bruno's fledgling career as a foot doctor.

The Chicago Board of Health called on police for help when Bruno opened Josef's European Health Center in his home last week. He advertised cures for such ailments as alcoholism and sexual dysfunctions, as well as foot problems.

Undercover police investigators—one with callouses, another complaining of sciatica—visited Bruno for treatment, a Board of Health spokesman said. He said Bruno removed one man's callouses and gave the other a massage.

Bruno was charged with unlawful practice of podiatry. He faces up to a year in jail and a \$1,000 fine.

The spokesman said Bruno, who formerly owned several appliance stores, told investigators he would close his health spa and open a hot dog stand.



**From the Capital**

## Smoke detector manufacturers under fire as federal agencies probe failures, claims

Controversies over safety continue to dominate the concerns in Washington of the appliance industry. But unlike the usual debates over whether or not an electrical product is hazardous to use (*Merchandising*, June 1983, page 4), the newer issue is whether the products are dangerous because the consumer will rely on them in circumstances where they will not perform. Honeywell, Inc. and Figgie International, Inc. are the focus of two separate actions from two different federal agencies.

The Honeywell case involves a product the company no longer makes: smoke detectors. At issue are models the manufacturer turned out in 1977 and 1978, with circuit board mountings that the Consumer Product Safety Commission (CPSC) claims were defective. Although the company says there are no design problems with the product and that any models that do not work are suffering from shipping damage, the commission's own tests resulted in a failure rate of around 40 percent. Honeywell is suggesting that buyers test the alarms, and is promising to replace any that do not work. The replacement units will either be BRK-First Alert units or those made by General Electric Co. The recall is the result of an agreement hammered out over 18 months of negotiations between CPSC and Honeywell, and is expected to lead to the replacement of 750,000 units.

While the CPSC used its authority to go after unsafe products in its dealings with Honeywell, the relatively similar Figgie case is based on a claim of deception. That is because the prosecutor is the Federal Trade Commission (FTC), with a different mandate from Congress. The FTC is claiming not that Figgie's expensive home fire detection systems have design defects, but that the entire concept of the Figgie product is misleading.

### Combined smoke, heat detectors

The systems, sold for between \$600 and \$1,000 under the Vanguard brand name, combine smoke detectors with four or five heat detectors "to provide the reliability that smoke detectors lack and to guard against the many types of fires where smoke detectors may be ineffective," the company's literature claims.

But in fact, the FTC complaint claims, an occupant's life is threatened well before a heat detector will set off an alarm, and "fire alarm systems combining heat detectors and smoke detectors do not provide significantly greater fire warning protection for occupants than smoke detectors alone."

As of now, those are just FTC charges, which still have to go through a trial to be established as a law violation. But an aggressive retail salesman does not need a lot of imagination to see how the FTC's language can be a help in trying to

convince a customer to buy smoke detectors.

\*\*\*

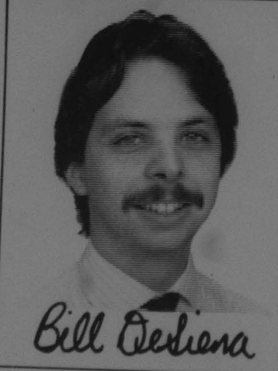
A proposal from the Federal Reserve could affect dealers who interest customers in big-ticket items through a rental plan that could lead to a purchase agreement. Now such arrangements are covered by neither the Truth in Lending Act nor the Consumer Leasing Act, but the Fed has asked Congress to expand the leasing statute to include such rent-and-buy deals.

The bank regulator believes that there is "public concern about the number of customers who are entering into such agreements without the benefit of adequate cost disclosures." If Congress acts on the measure—and it is the kind of low-profile item that is hard to predict—customers at the time they take home the merchandise would have to be given a full disclosure sheet spelling out the total they will have to pay to receive title to the goods, and the fact that initial rental payments give them no equity interest.

Although that part of the Fed legislative request imposes new burdens on business, the overall impact of the suggested revisions will make the leasing law easier to live with. Now there are 21 separate items which a consumer entering into a lease of household goods must be told; the Fed wants to cut that to a dozen.



## TRENDINGS IN PERSONAL ELECTRONICS



Bill Oesler

### Computer makers take steps towards future compatibility

It's often the case that what isn't highlighted at the CES becomes as important as what is. Compatibility among home computer systems fit that bill this past month.

For the first time, vendors were showing home computers that promised compatibility with Apple II and/or CP/M software, enabling the user to access libraries of literally thousands of titles as desired. It isn't a sure thing that this type of compatibility will be important to a customer buying an under-\$1,000 system for his

home; how many home users know about the potential wealth of software being marketed right now? They're only beginning to find out uses other than playing "better" games.

Following CES, hardware maker Spectravideo gave the computer industry another reason to address the issue of compatibility. The firm, along with 14 Japanese hardware manufacturers, reached an agreement with software developer Microsoft to market a computer design that can run a universally compatible software sys-

tem. That means that the same piece of software can run on a variety of different computers.

The MSX system, as it has been dubbed, will use Spectravideo's SV-318 computer as the prototype for all MSX hardware introduced to the market. The SV series uses three microprocessors: the Z-80 for systems operation, Texas Instruments' microprocessor for video and General Instruments' board for the unit's audio portion.

Spectravideo will most likely be the first to bring an MSX machine to the U.S. market next spring. Its Japanese partners in the venture plan to launch MSX into the low-end Japanese computer market before considering other distribution. The 14 Japanese companies include Canon, Fujitsu, General, Hitachi, JVC, Kyocera, Matsushita, Mitsubishi, NEC, Pioneer, Sanyo, Sony, Toshiba and Yamaha.

#### Will U.S. vendors adopt?

The jury will be out for a while on whether American manufacturers will take up such a standard. A Microsoft spokesperson has acknowledged that Apple Computer was approached, but said "no." And the IBM PC and its followers are becoming the standard in personal computers.

For vendors like Atari, Coleco, Commodore, Mattel, Texas Instruments and Timex, the decision to go to a universal standard versus a proprietary machine would mean opening the hardware market to even more competition. Ensuring that an Atari owner, for instance, might trade up to another Atari system, would no longer be as certain. What's to stop a user from going to another brand if his software collection would run on another machine with the features he wanted? Spectravideo president Harry Fox addressed that issue by saying that if MSX was adopted by other U.S. competitors, pushing features on a console would be even more important.

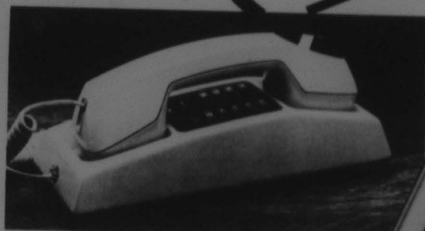
The bottom line for dealers would be that their inventory headaches would be reduced; no more four sets of software and peripherals for four different systems carried. Already third-party software publishers, including Broderbund, Sirius and Activision are considering support for the MSX, the Microsoft spokesperson reported.

#### Still a long way off

Any sort of compatibility in the home market, despite these current trends, is still too far off to call. The Apple- and CP/M-compatible machines, with the exception of Coleco, come from companies that have yet to get product into the market. Video Technology is promising its Apple II-CP/M-compatible machine for early 1984, at about \$700.

Unitronics, another newcomer to the computer area, will intro its Sonic computer (also Apple- and CP/M-ready) this half. The hardware accepts wafer tape identical to that used with ColecoVision's expansion module. Speaking of Coleco, the Adam computer is Applesoft- and CP/M-ready. But like Unitronics with the wafer drive, Coleco will have to convert such software to its digital data pack medium.

One point for those wondering how long it will be before a home computer standard exists: If the expected under-\$1,000 IBM and Apple machines turn up soon, will either be able to set the pace for this market?



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## Computer systems challenge reigning standalone CPU's

By Bill DeSiena, associate editor

CHICAGO—Home computer systems will challenge the reigning standalone CPU/keyboards on the retail canvas this year.

A handful of vendors exhibiting at the Consumer Electronics Show have chosen to pack any combination of modems, storage media and printers into one box, with the idea that consumers will be attracted to a product with more built-in uses. Prices will run from under \$400 retail to not much more than \$1,000—about the same as less-powerful keyboards a year ago.

Predictably, manufacturers don't all agree that the systems approach will work. Many expressed fears that users will become locked within a specific system, unwilling to upgrade to suit their needs. And if peripheral prices continue to drop while capabilities keep expanding, suppliers will have to upgrade a system or obsolete it. This has already happened with some standalones premiered in January.

Both factions share a common belief, though. Productivity applications will soon be the driving force behind home computer sales, even though entertainment and education are now responsible for most of the volume.

### Adam is born

Coleco Industries has made a major commitment to the systems approach with its Adam computer. In either standalone or ColecoVision add-on versions, the Adam is complete with enough features to make it instantly usable, said Coleco president Arnold Greenberg.

That's not to say that the end-user will never have to return to the dealer, though, because the company plans to offer a modem and monitor, among other peripherals. "There is also enough markup built into the Adam for dealers to profit with the first purchase," added Greenberg.

The standalone Adam is made up of an 80K RAM console with a built-in digital data pack drive, a 75-key sculptured keyboard and a letter-quality, daisy wheel printer. Included with the system are a word processing program and two data packs: Smart BASIC, which is Applesoft source code compatible, and the game Buck Rogers—The Planet of Zoom.

The under-\$600 CP/M-compatible system will be offered in an add-on version for ColecoVision at \$400.

Its data pack drive, which can store up to 500K RAM, acts much like a floppy disk. But in fact, it contains a single loop of tape, like an eight-track audio cartridge.

Probably the first vendor to promote the concept of a system at the home level was Mattel Electronics, which previewed the Aquarius with its line of peripherals in January. The company has now taken this concept one step further with the COM/PAC system. For under \$400 the buyer gets the Aquarius keyboard console, an expansion module, two game controllers, a 40-column thermal printer and a data recorder.

"Certainly no dealer wants to stay in the battle of the low-priced keyboards," noted Bruce Donaldson, vice president of sales, home compu-



**TIMEX WILL AIM** its new TS 1500 model straight at the home and school educational market, vice president Dan Ross reports.

ter systems. The systems approach will catch on with consumers "because they now have a better idea of what they want a computer to do than they did six months ago." Mattel will air several commercials to back up COM/PAC, he continued.

The Aquarius by itself will now retail for under \$100. It was originally pegged to sell for less than \$200. Mattel has also brought the Aquarius II console to market, to be available in September for under \$200. A departure from the Aquarius—with a full-stroke keyboard and traditional space bar—the unit promises 64K memory expansion capacity and built-in Extended Microsoft BASIC. Consoles, peripherals and software will all be compatible.

Also packing more peripherals into one system is Atari, with its 1400XL and 1450XL computers. The 64K memory units come with built-in modems and voice synthesizers. A disk drive is built into the 1450XL.

Atari also showed the 600XL and 800XL models at CES, with 16K and 64K memory, respectively. Pricing on the 600XL is expected to be \$199 when it hits dealer shelves this fall. Prices for the 800XL, 1400XL and 1450 XL had not been announced at press time. An Atari spokesman said that the new line would replace the 400, 800 and recently launched 1200-XL units, which will be phased out over an undetermined period of time.

### Systems recapture margins

Vendors at the show pointed out that while computer systems may help consumers figure out why they want a computer, they may also restore the profitability to hardware sales. "Systems will be the only way to make a profit at the retail level," said Tom Priestley, general manager, NEC Home Electronics.

Plus, they will be easier to buy. If the end-user chooses a system made up of many different brands, it will be a hassle to shop for the right ones, and servicing may be more of a headache than if the hardware all comes from the same source, he continued. NEC's PC-6000 is being rolled out market-by-market in the U.S., at \$349 list.

Bill Kopp, general manager of the Panasonic Home Computer Systems Division, urged dealers to have systems on-hand that are package-oriented. Also key is finding a manufac-



**COMPUTER SYSTEMS WILL** be the only way to make a profit at the retail level, notes Tom Priestley, general manager, NEC Home Electronics.



**THE MORE USES** people find for their computers, the more vendors find that their computers can't do, says Spectravideo president Harry Fox.

turer that will make a commitment to the area via the ability to trade up and add on to an existing console.

Panasonic's JR-200 console, originally shown at \$349, will now retail for \$279 suggested list.

### Packaged systems debated

Most manufacturers, while showing a line of peripherals with their computers, could not agree on whether selling packaged systems is the right road to take. "The more uses people find for their computers, the more things vendors find their computers can't do," commented Spectravideo president Harry Fox.

People need a machine that they can either buy as a beginner or as a user with a specific function in mind, Fox said.

Spectravideo is introducing the SV 328, a followup to the SV 318 console. It will expand to 256K memory, and unlike the SV 318, has a numeric keypad built in instead of a joystick. A word processing and spell software package is bundled into the 328. Its suggested retail will be \$595.

Although Timex Computer Corp. continues to add peripherals to its lineup, there are no plans to market a system. "Anybody can do that," remarked vice president Dan Ross. "We'd rather leave our products unpackaged."

"About 80 percent of the consumers don't yet know what they will do with a computer. As they learn, they will want to meet their needs by choosing their peripherals. We'll attempt to show those consumers what to do with benefit-oriented, price/value advertising," he explained.

Timex upgraded the Sinclair 2000 machine, which made its debut in January, with 72K of on-board memory, or 48K RAM. With a bank-switching feature, which enables the machine to work with one or more 64K programs at the same time, the unit will retail for the same \$199.95.

Another 2000 version, with 40K of

(Continued on page 79)

## Computer peripheral suppliers announce promotions, price cuts on printers, monitors

By Deborah Cromer, field editor

CHICAGO—A \$60 price reduction on one thermal printer may mark the beginning of price-cutting strategies among home computer peripheral suppliers. At least three exhibitors introduced low-priced printers and monitors targeted for the home computer market during the Consumer Electronics Show.

Recognizing the price sensitivity of a mass market retail sale, these suppliers advocate independent bundling of systems to compete with recently announced packaged systems from single manufacturers.

To increase retail sell-through, peripheral suppliers interviewed by *Merchandising* described plans for providing advertising and in-store support including coordinated packaging and premiums.

### In the beginning...

Alphacom, a manufacturer of thermal printers for the retail and OEM markets, announced a price drop to \$119.95 on its Alphacom 42 printer, a 40-column unit with interface capability to the Commodore 64 and VIC 20, Atari 400/800/1200XL, Mattel Aquarius and TRS-80 color computers. The price drop comes two months after the product's unveiling at Comdex.

"In the home computer market under \$500, consumers have been notoriously unwilling to spend two to three times the cost of the CPU for a printer," said William Sobieski, vice president, consumer marketing and sales. "This price drop fills a void by bringing the peripheral into the same price range as the basic unit. We hope this will set the lead for other peripheral suppliers to lower their prices comparable to unit cost yet preserve the retailer's profit margin."

The Campbell, CA-based supplier also announced a \$169.95, 80-column thermal dot matrix printer. Alphacom 81 is compatible with Commodore, Apple, Atari, Tandy and Mattel home computers. Additionally, the manufacturer has signed an agreement to private label a Timex/Sinclair-compatible printer which will retail for under \$100.

The low pricing strategy was also evident at the Fidelity Electronics booth with the introduction of two-color, 24- and 40-column thermal printers for the Commodore 64 and VIC 20 and the firm's own Desk Companion, a deskpak computer adaptation. Ranging from a suggested retail of \$129.95 to \$159.95, the small units use standard adding machine roll paper as opposed to full-size thermal or silver oxide paper.

"We appeal to the same consumer who is motivated to buy a CPU based on price," said Teri Everett, marketing director, USA. "At this level of sale, the consumers are definitely price motivated, so we have to bring our prices into the same range as the

Commodore products. We anticipate these printers to be a guaranteed sale, supplying 10 to 15 percent of the VIC 20 installed base."

Leading Edge's \$249.95 impact dot matrix printer, the Banana, is being positioned as a mass-appeal, popularly priced peripheral for the low-end personal computer market, according to Tim Huber, vice president, marketing.

"As micros drop in price, the cost of such vital peripherals as printers looms ever larger in relation to the

cost of the microcomputer itself," he said. "It is hard to justify the purchase of a \$500 printer for a microcomputer costing \$300 or less. But a \$249.95 printer makes a good deal of sense for such systems, as well as for backup and draft use with systems which already have expensive printers."

"The pricing of printers is not dissimilar to flash units or lenses in the camera market," he said. "Even though consumers may pay a couple of hundred dollars for a basic camera,

they are not adverse to coming back and paying a few hundred dollars more for a good lens. I think our printers will be the same type of sale. We should see exceptional traffic in the after-Christmas market due to this relationship."

Part of the Gorilla product line, the Banana is an 80-column tractor feed capable of printing alphanumerics or graphics on fan-folded paper ranging from 4.5 to 10 in. wide. A parallel interface allows direct hookup to TRS-80 models I, II and III; IBM PC; Apple, and Kaypro units. A six-month limited warranty is offered.

### Monitor prices fall

Just as Alphacom hopes to start a downward pricing spiral among print-



## Why the Fuji Magnetic Tape Division has changed

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 look at the software  
 market plus all the latest  
 in hardware and peripherals.



er manufacturers, Leading Edge set a precedent with the CES introduction of a \$99 monitor. This move puts the peripheral in the same pricing vicinity as a small television.

"When there is a conflict between television watching and computer use, the monitor will make sense to consumers," Huber said. "Their choice is between buying a small black-and-white television or a monitor. We're offering a price comparison of \$70 to \$99 for not going blind."

The Gorilla Monitor features a high-resolution phosphorous tube with a 12-in. non-glare screen to prevent eyestrain. The display is a full 25 lines of 80 characters matching virtually all home and professional computers.

**LOW COST PERIPHERALS** might be the wave of the future in home computers. Shown are the Gorilla Hi-Res Green Screen Monitor (left), Alphacom 81 80-column printer (center) and the Fidelity Impact 40 thermal printer.

At the lower end, the peripheral suppliers are encouraging a retailer-constructed bundle approach to compete with the recently announced packaged systems from Mattel, Coleco and Atari. Bundling is an excuse to make a second pass at the sale, according to one supplier.

"Our co-op kit suggests that the

retailer can put together a word processing system for under \$799 by blending our 80-column printer with other components," Alphacom's Sobieski said. "That could be a powerful package for the mass merchant."

Everett concurred: "We perceive the sale of the printers in a package

with an attractive enough price point to grab the consumer's attention. However, there are a lot of people who are not willing to part with \$400 for a package, so there will still be a lot of after-sale potential."

#### Suppliers bring in-store support

For both the retailer with computer-literate sales personnel and those without, peripheral suppliers are designing advertising and in-store support programs to increase market awareness and sell-through.

Leading Edge is promoting the Gorilla line through a three-step advertising campaign. Teaser ads broke in April and led up to the final announcement, coinciding with the CES introduction. Four-color, full-page ads feature a distinctive theme—a friendly looking Gorilla with a monocle.

"We feel this is a package-goods business where positioning is all-important," Huber said. "Many times manufacturers coming in with a mass appeal item have to pound away to create recognition. We think the names Gorilla and Banana create pizzazz and will enhance brand recognition at the retail level."

Promotional giveaways, all sporting the Gorilla motif, include T-shirts, shopping bags and posters. Colorful packaging, four-color warranty cards, point-of-purchase displays and an eight-page information brochure are designed to heighten mass appeal, create in-store excitement, build traffic and produce sales, according to the marketing executive.

By design, the Alphacom product line cuts dealer inventory requirements. The basic printer can be made compatible with several brands of computers by using different interface cables with a cartridge-like connector. In short, compatibility is only a cable and plug away.

The retailer need only stock a minimum number of printers with a wider variety of cable interfaces, ranging in price from \$39.95 for a 40-column to \$44.95 for an 80-column. The name of the compatible computer is displayed on the cable box, which is color-coded to the generic printer box.

"We believe this approach will not only reduce the dealer's inventory control headaches, but will also help promote sales of both printers and computers," Sobieski said.

#### VP finance tells readers he needs cash in ad

OMAHA—"To our customers: Our fiscal year is ending; our stores are tremendously overstocked, and I'm due at the bank. And they want cash, not overbought inventories!" a letter at the top of a full-page ad for World Radio read.

Joe's End-Of-The-Year Inventory Reduction advertised over 12,000 computers, software and accessories to sell at savings of 19 to 61 percent, and phones reduced 21 to 67 percent. Joe, by the way, is the vice president of finance.

its name to the Fuji Magnetic Products Division.

Change.

It's one thing you can be certain of in this business.

This May, for instance, the Fuji Magnetic Tape Division introduced a magnetic product (the Fuji Film Floppy Disk) that wasn't audio tape or video tape.

It seemed like a good time to change our name to reflect that we're doing more than just broadening our product line.

Of course, the "new" Fuji Magnetic Products Division will still be selling the same high-quality audio and video tapes which made the "old" Fuji Magnetic Tape Division famous.

But there will be a difference.

Our new name means you can be on the lookout for new products from Fuji; products that can help you take advantage of expanding opportunities in all areas of magnetic media.

Because the best way to keep up with a changing marketplace is to keep ahead of it.

JULY, 1983

# The line between computers, videogames blurs as firms move to expand product capabilities

By Anne Krueger, field editor

CHICAGO—Yes, Virginia, saturation and obsolescence loom in the videogame future. But, for now, videogame software and hardware makers aren't giving up the ship.

Instead, many software makers at the Consumer Electronics Show jumped on the growing computer bandwagon and announced or showed computer game lines in addition to strong videogame offerings.

At the same time, some companies that previously specialized only in computer software made the downward technological jump to offer cartridge versions of their games—a move which verifies the magnitude and expected continued growth of the installed VCS base and blurs the distinction between the videogame and computer markets.

(Editor's note: This story was written before Texas Instruments announced that it expected to lose up to \$100 million for the second quarter

because of a drop in home computer sales.)

To further cloud the videogame scene, N.A.P. Consumer Electronics Corp. and Atari each have set up new software operations to support rival hardware. (Coleco and Mattel have been doing this for some time.)

Atari plans to adapt some of its existing titles for the Apple II, Radio Shack Color Computer, Commodore 64 and VIC 20, IBM PC and TI 99/4a. N.A.P. will continue to provide software for its own Odyssey system but also will create product for the Atari VCS and ColecoVision markets.

Hardware manufacturers also crossed the videogame/computer marketing line with a concerted defense against obsolescence. They're adapting to the rapid onset of the "computer age" with all sorts of gadgets and gizmos which transform their dedicated videogame machines into more sophisticated computers.

Adam probably was the biggest

news at the show in the upgrade-from-a-videogame-to-a-computer category. Adam is Coleco's new \$600 price-tagged standalone computer system which includes a keyboard unit as well as a daisy wheel printer and what's called a data pack memory system.

But, if you already own a ColecoVision game unit, you get the same keyboard unit and printer and a slightly different configuration of the data pack for less than \$400. (And it's still called Adam.) The data pack module fits into the expansion port at the front of the Coleco game unit. Two game controllers are included in the package. Adam has a built-in word processing program, and has two separate digital data packs: Smart BASIC (which is Applesoft source code compatible) and Super Game Pack which contains Buck Rogers: The Planet of Zoom game.

Al Kahn, senior vice president of marketing at Coleco, told *Merchandising* the unit will be shipped in August or September. He said, "In developing Adam, we focused on one simple premise: computers should think like humans. Humans should not have to think like computers."

Since last summer's CES, Coleco has been touting ColecoVision as an expandable computer system and that premise met with a lot of success. Kahn believes this upgrade package transforming the game unit into an 80K RAM computer will have equal success.

While Coleco was just talking about its packaged system-to-be at last January's CES in Las Vegas, Mattel actually introduced its packaged offerings. Both the Intellivision II and its Entertainment Computer System and the Aquarius Computer package were at the show again in Chicago and are being shipped this summer.

## VCS owners' graduate

Formerly billed as My First Computer, Atari's The Graduate turns the standard VCS into a computer for less than \$90. "The Graduate system allows Atari 2600 (VCS) owners, with



**MAGIC WILL DEVELOP** computer game software for Texas Instruments' 99/4a home computer, according to Imagic president Bill Grubb. The games will utilize TI's voice synthesis technology.

a minimal additional investment, to turn their game console into a full-fledged home computer that outperforms home systems costing up to twice as much," said Jeff Heimbeck, senior vice president, Atari Products Co.

He said there are more than 10 million VCS units in use which makes the upgrade market potential enormous. Heimbeck is hopeful The Graduate's low-risk introduction for consumers to computing will make novices more at ease.

The snap-on 16K ROM computer module contains a typewriter-style keyboard, 8K RAM, a microprocessor and power adaptor. In addition, Atari will be providing other add-ons essential to computing: a wafer drive module for additional data storage with a suggested retail price of \$79.95, a \$99.95 40-column thermal printer, a 300-baud modem with a suggested price tag of \$59.95, a cassette recorder for \$49.95 and a 16K RAM expansion memory module retailing for \$69.95.

The Graduate and all peripherals will be available at retail in October, Heimbeck said. A selection of programming, home management, education and game software will also be available for the system at that time, reported Atari's Products Co.'s president John Cavalier.

For those who would like to program helicopter noises and other fun stuff on their computer, General Consumer Electronics' Vectrex is the system to stock.

The company will have a \$99 (Continued on page 72)

## Videogame companies take license with some well-known characters

By Anne Krueger, field editor

CHICAGO—Just when you thought the list of licensed characters couldn't get any longer, a few more famous figures hit the videogame and computer screen.

The infamous Porky's movie has become the infamous Porky's videogame. The game is being brought to you by Fox Video Games and is designed to work with the Atari VCS, Intellivision, ColecoVision, Atari 400 and 800, TI 99/4a and the VIC 20.

Frank O'Connell, president of Fox Video Games, expects Porky's to be the most successful video- and personal computer game in 1983. "Our targeted game player—the teenage male—is the same audience that made Porky's the fourth largest grossing film in 1982," he pointed out.

As in the movie, the object is to help Pee Wee, Balbricker and Wendy find a way to blow up Porky's Bar. O'Connell hopes to benefit from the \$20 million in advertising spent on the film but also is planning an aggressive national TV ad campaign, he said.

The new N.A.P. Consumer Electronics Corp. videogame software group has secured the licenses for a Power Lords videogame and for The Adventures of the Pink Panther, a title originally with the now defunct U.S. Games. Both games are being manufactured for the Odyssey 2, Atari and ColecoVision systems.

"We feel the Pink Panther is certainly one of the most recognizable animated characters in the world, and will be especially useful as a point-of-purchase aid," said Mike Staup, vice president and general manager of the new videogame software group.

Power Lords is licensed from Strongin-Mayen International and a Revell line of Power Lords action toys will be on the market at the same time as the N.A.P. release.

Mickey in The Great Outdoors, a new learning adventure produced for Atari home computers, was shown at the CES by Walt Disney Personal

Computer Software. Mickey is one of nearly 50 software programs Disney is introducing this year. He appears in various situations called "learning adventures" and the player's goal is to move Mickey along on his hiking and exploring trips.

"We have something no other company has—the Disney characters—and there are people out there who are eagerly awaiting their appearance in microcomputer software," said Jim Jimirro, president of Walt Disney Telecommunications. "Disney is entering the software market a little later than some companies," he added. "We want people to know we're committed to entertainment and education through quality, state-of-the-art media with timeless appeal."

Also starting in a new computer game is the comic-strip Wizard of Id. He graces an educational game called Wiztype which was introduced here by Sydney Development Corp. of Vancouver. Sydney develops multi-media games and education software for videogame systems and personal computers, specializing in Coleco, IBM PC, Atari and Commodore systems. It is represented internationally by the California-based International Computer Group. Quest for Tires is another game based on a Johnny Hart comic strip; this one called B.C. It's available on ColecoVision, Commodore 64, IBM PC and Spectravideo.

Other licensing news: Jedi masters look out—two Return of the Jedi videogames are being introduced by Parker Brothers. Deathstar Battle will be released this month for the Atari VCS. Ewok Adventure will complete the Star Wars quartet and will hit the scene in the fall, according to Richard Stearns, vice president, marketing.

First Star Software is introducing a number of entertainment and educational programs based on several Marvel Comics characters, and, again in the space mode, Sega Consumer Products is launching a Star Trek home videogame with heavy ad backup.

## Merchandising's TOP 10 TEN in videogame software

	Last month's position	Months on chart
1. Enduro (Activision)	—	1
2. Centipede (Atari)	1	4
3. Ms. Pac-Man (Atari)	2	5
4. Keystone Kapers (Activision)	—	1
5. Donkey Kong Jr. (Coleco)	8	2
6. River Raid (Activision)	3	5
7. Pitfall (Activision)	6	5
8. Zaxxon (Coleco)	4	3
9. Gorf (CBS Electronics)	9	2
10. Pepper II (Coleco)	—	1

MERCHANDISING

## PERSONAL ELECTRONICS

# Numerous software firms announce plans to market computer, videogame products

(Continued from page 68)

computer keyboard add-on and peripherals ready to ship in January. The 16K RAM and 16K ROM computer adaptor and keyboard will sit underneath the standalone Vectrex unit. The keyboard has 55 keys and BASIC is built in. A stringy-floppy memory device, to sell for less than \$80, will combine the qualities of both a cassette and floppy disk.

Several computer carts, including Vectrex Create Your Own Video Game series, will be shipped in

January for \$40 each, according to director of marketing Hope Neiman.

In the meantime, GCE has intro'd a flurry of new Vectrex games and several peripherals. A Light Pen, scheduled to retail for less than \$40 in September, comes with an art cartridge and allows users to sketch, connect dots and animate. A series of Light Pen cartridges were introduced: Mail Plane (a geography game), a music cartridge called Melody Master and AnimAction, an advanced art cart.

Vectrex also debuted a 3-D Imager which plugs into the current black and white Vectrex console and allows the consumer to play specially-designed Vectrex games in true 3-D and color. The Imager is worn by the user like large sunglasses, will be priced at around \$50 and will be shipped this fall.

"We want to satisfy all Atari owners regardless of whether they have a small computer or a VCS unit," said Gary Carlston, vice president of Broderbund. That's the com-



**NOT LETTING UP.** Activision plans to expand its offerings to fit Atari computers and other systems the future holds, said Frank Mainero, vice president, marketing.

puter software maker's new philosophy, backed up by two VCS introductions at the CES.

The games—Sky Blazer, a multi-level air combat simulation which is a computer game conversion, and Solo, a new 3-D flight simulation program developed exclusively for the VCS—will be shipped this fall, Carlston said, for the Atari 2600 and 5200.

Also producing game cartridges for the first time is Spinnaker, which introduced 10 learning games in ROM cartridge format for the Commodore 64 and Atari computers. "The cartridge format is very important for the mass merchant distribution channel," noted president David Seuss. "Many mass merchants will be entering the software retailing business this Christmas, and are interested in having something more than shoot-em-up arcade games."

Imagic announced at the show it will be developing entertainment and educational software for the Texas Instruments 99/4a home computer. Seven Imagic/TI titles will be produced in the first year, the agreement said, including translations of Imagic's Demon Attack (already playable on Atari computers and the Commodore VIC 20), Microsurgeon, Fathom and Flap! The games will employ voice synthesis technology developed by TI, Imagic president Bill Grubb told *Merchandising*.

Grubb believes home computer software will become as big a part of Imagic as its videogames for Atari, Mattel and Coleco, although there are "clouds and mystery in the home computer future," he said.

Other action on the videogame/home computer software front:

- Activision currently is translating its VCS game titles to fit Atari computers and has plans to produce for other systems in the future, vice president of marketing Frank Mainero said.

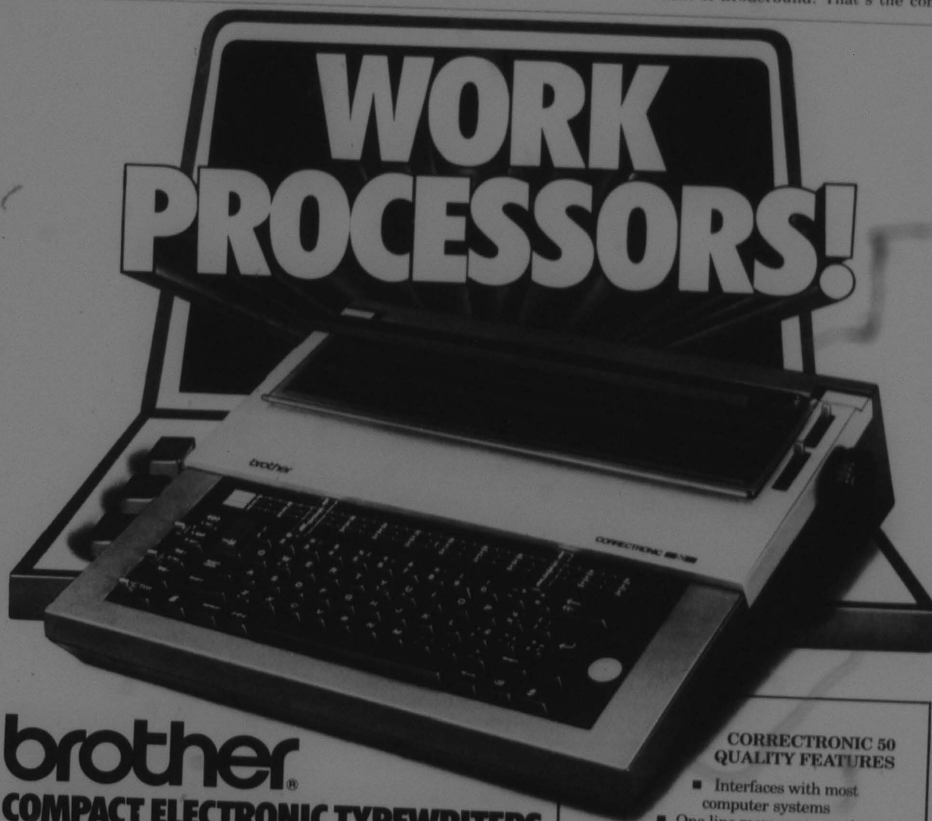
- Odyssey's Gerald Michaelson, vice president of sales and marketing, also sees computer software and videotex transmission of games in Odyssey's software game plan.

- Fox Video Games' new Porky's game will be designed for compatibility with the Atari VCS, Intellivision, ColecoVision, Atari 400 and 800 (or the equivalents), TI 99/4a and VIC 20, it was announced at the show.

- Star Trek, a new game from Sega Consumer Products, will be available for the Atari VCS and 5200 and also for the Atari home computers, TI 99/4a, VIC 20 and Intellivision.

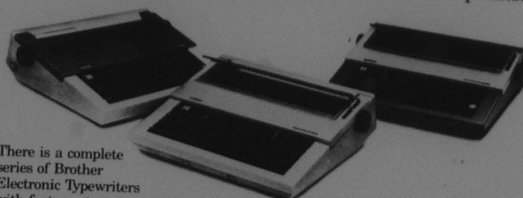
- Telesys is converting its videogame titles to various home computer formats, reported Jack Woodman, vice president of marketing. Woodman said the titles, Fast Foods, Ram It, Demolition Herby and CocoNuts, should be ready for shipping later this year.

- First Star Software announced at the show that it will be marketing a number of entertainment and educational programs based on several Marvel Comics characters.



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# Chess explosion brings low prices, new computer programs

By Howard S. Rauch, editorial director  
CHICAGO—An explosion of higher rated, lower priced electronic chess sets were unveiled at the Summer Consumer Electronics Show.

In the past, sets with playing strengths exceeding 1900 bore retails in the \$500 to \$1,000 range. By September, chess buffs will be able to spend \$150 to \$300 to purchase a tough electronic opponent.

There should be new games available to appeal to lesser rated players as well. An outlay of under \$100 will bring the consumer a good-looking table model with playing strength in the 1500 to 1600 range tops.

(Editor's note: Ratings are established by the U.S. Chess Federation. In many cases, numbers quoted above are manufacturer's estimates, based on how the set performs in a 40-moves-in-three-hours time frame. Typical tournaments involving human opponents are based on 40 moves in 90 minutes.)

The bulk of American players are rated under 1600 if they are rated at all. Someone rated over 1800 is somewhat stronger. A player obtaining a 2000 to 2199 rating is designated as a "Candidate Master." Masters are rated over 2200.)

On another scene, computer addicts will get their share of chess action in the future. Until now, chess programs were scant. But the upsurge of new home computers prompted game makers to unveil versions compatible with Atari, Commodore 64 and VIC 20, IBM and Timex Sinclair, among others.

## Many prototypes displayed

In conventional electronic chess games, many prototypes were displayed. Some, admitted exhibitors, just eked into being in time for CES.

Most notable during *Merchandising's* chess tour was the drop in suggested retail price. "Consumers initially had to pay for research and

development," explained Helena Scanlon, vice president, SciSys Computer, Inc.

This need is behind most manufacturers now, she pointed out, so consumers will benefit in the price tag department. SciSys' newest unit is Chess Companion II, estimated to retail at \$89.99. Companion II is a modified version of a stronger rated SciSys model. Offering a playing strength of 1500 to 1600, Companion II has nine operating levels.

At level eight, it will take up to 30 minutes to consider a move. It's also possible to suspend play in the middle of a game and resume up to a year later. Companion II operates on three AA batteries.

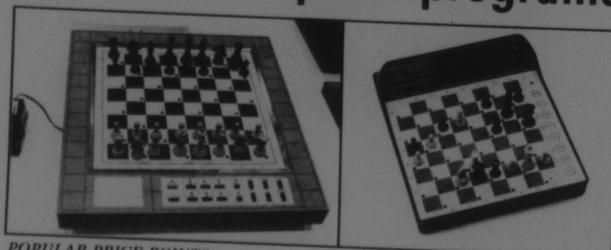
Hanimex, which has been distributing Computachess Games made by White and Allcock Ltd. (Hong Kong), will soon offer W&A's Chess 2001 model. W&A managing director Eric White told *Merchandising* that the 2001 should retail in the \$150 range. Playing strength will exceed 1800, he said.

The new model has 12 levels of playing strength. This includes nine levels with time limits, one infinite level, one problem level. A final level—somewhat of an innovation—is described as adjustable. It speeds up when the user plays quickly, slows down when the user plays slowly.

At level one, 2001 will respond to a move within a second. Response time at level nine is up to three minutes and 30 seconds. A "book" of 3,000 positions and an auto response board are among other 2001 features.

(Editor's note: As opposed to "sensory" boards—which require the player to apply pressure on a square to register a move—auto response boards "read" the play as a piece is moved from one square to another. No pressure is required.)

At Fidelity Electronics, Ltd.'s booth, the newest chess item was the Super "9" Challenger. The unit com-



POPULAR PRICE POINTS are now available on a host of electronic chess sets, including Hanimex's 2001 model (left), to retail in the \$150 range, and Fidelity's Super "9" challenger (right), priced at \$245.

bines strong play—estimated over 1900—with a low suggested retail of \$245.

The "9" was said to offer many features of the company's full-size table models—the Prestige and the Elite AS. The latter model, introduced in January, retails at \$450.

Super "9" has 15 levels of play, including a typically tough Fidelity blitz level. In a ten-minute speed game between Super "9" and this editor (USCF rating currently 2045), "9" sacrificed a bishop for three pawns with two minutes left on its clock, sufficient to eke out a win with seconds remaining for both players.

Another new unit reported to offer sharp play is Novag Industries, Ltd.'s Constellation. Estimated retail will fall under \$200. Constellation features an opening book with more than 3,000 half moves. It plays at eight levels. Level six and seven offer opportunity for typical tournament time control—40 moves in 90 minutes at level six, 40 moves in 120 minutes at level seven.

Last but not least in the table model category is Milton Bradley Co.'s Electronic Grand-Master. Introduced officially at the Winter CES, Grand-Master retails at \$500. Its big attraction is a capability to make its own moves and to reset all pieces upon command when a game is complete.

The unit can play at 1600 to 1700 strength, sufficient to give the average American player a tough contest.

Grand-Master operates on 12 different levels. At level 11 it will take up to three minutes and 45 seconds to consider its move.

Demonstration programs are available to qualified dealers, stressed director of marketing Walter P. Green. He reported that Jordan Marsh, the department store chain, erected display cases with built-in electrical power, then let the machines play on their own in the automatic mode.

Grand-Master is warranted for a year, said Green. After the first year, Milton Bradley will perform repairs for a flat fee charge of \$75 if a set is returned to the factory.

Future Grant-Master units will have a cartridge updatable feature. As stronger programs are available, a set owner can buy the new cartridge and insert it.

Green also noted that Milton Bradley began distributing the Conchess line of electronic sets as of May. Conchess made its first appearance at CES in 1982.

Of interest to any chess buff will be the new programs coming out in August and September. Until this year, chess program availability was scant. Best known: Hayden Book Co.'s Sargon II program compatible with Apple. Some new programs are

claimed to be stronger and faster than Sargon.

(Editor's note: This writer has found the Sargon program to be quite acceptable. For the adventurous player, Sargon's "Change" feature allows you to set up a game with extra knights, bishops, queens, etc. anywhere on the board. Using a standard time clock with a 15-minute limit for both sides plus assorted extra pieces makes for a hair-raising game!

The main drawback of Sargon II: its opening "book" of three moves maximum for white or black.)

At Parker Brothers, two programs were unveiled. One is compatible with the IBM Personal Computer, the other with the Atari 400/800/1200XL series.

The IBM disk version, available in September at an estimated \$50 to \$60 retail, will have 10 skill levels. The ninth level will take up to 20 minutes per move, advised Parker product manager John Call, Jr. There will also be a tournament level of 30 moves in one hour, as well as a speed mode of ten seconds per move.

On the monitor, a player can see the board, the moves made, as well as time elapsed between moves for both sides.

The Atari program works via a joystick control. Priced around \$40, the cartridge becomes available in August. This program has eight skill levels and a built-in book covering seven openings (compared to 12 openings for the IBM version).

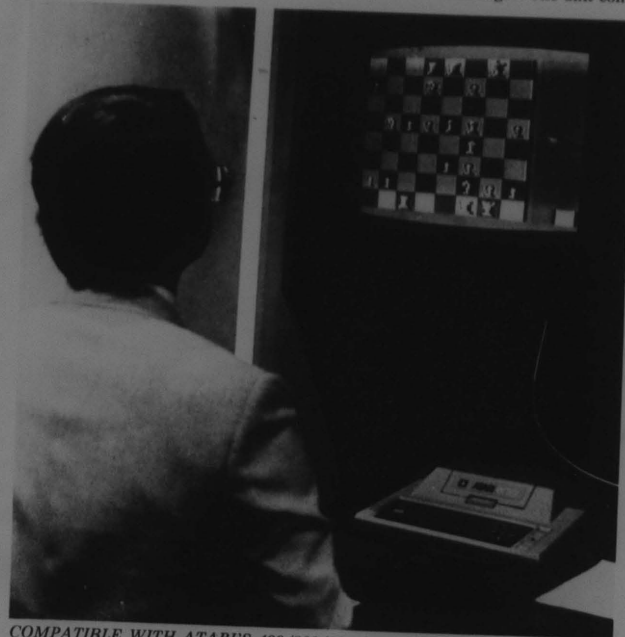
Both programs are accompanied by a 72-page manual designed to teach beginners chess fundamentals and elementary tactics. The manual also has advanced play principles and strategies for intermediate and experienced players. Call noted that at this time, Parker had no estimates of program playing strength in terms of USCF points. However, the IBM program is the stronger of the two.

The chess program for Mattel's Aquarius computer system lacked some finishing touches. However, a run of the program disclosed a good array of opening variations at all eight levels, including several adventurous lines such as the Budapest Defense.

Another chess program on view was Grand Master by United Micro-ware Industries (UMI), compatible to the Commodore 64 in disk and to the VIC 20 in cassette.

UMI's game, which features a German program, has 10 skill levels and a suggested retail of \$34.95.

Finally, there was Chess for the Timex Sinclair 2000 and Chess & Chess Clock for the Timex Sinclair 1000. Neither program could be examined at CES, but details should appear in a future *Merchandising Computers* section.



COMPATIBLE WITH ATARI'S 400/800/1200XL series computers, this chess game from Parker Brothers works via a joystick control. Priced around \$40, it will be available next month.

# NEWSLINES

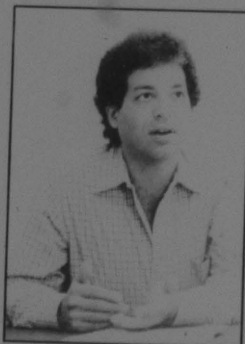
## PERSONAL ELECTRONICS

### 12345

**CHICAGO**—Rebates spell relief from summer doldrum sales of videogame hardware for Atari and Odyssey. Atari is continuing its rebate offer on the Atari VCS through July 31. Buyers obtain a coupon from their dealers and submit it along with proof of purchase to Atari for a \$20 rebate. An additional \$10 will be returned to the customer who buys a VCS and two game cartridges from a special list of seven. Odyssey offers a \$30 rebate on its hardware this summer with an additional \$20 rebate for those customers purchasing a voice module too, Gerald Michaelson, vice president sales and marketing, told *Merchandising*. With the rebate, the Odyssey system drops into the \$50 price range, he said.

**CHICAGO**—Rock-bottom pricing was introduced at the CES with \$9.95 videogames being manufactured by Telesys and Mythicon. Telesys' new VCS game, The Impossible Game, works on the Rubik's Cube idea and is being marketed like an impulse item, according to Jack Woodman, vice president of marketing. An arcade company already is interested in the game, he said. The title will be shipped Aug. 5.

Mythicon Sorcerer, Fire Fly and Star Fox are three \$9.95 games from Cupertino, CA-based Mythicon. The year-old company provides a free countertop display to retailers with the games.



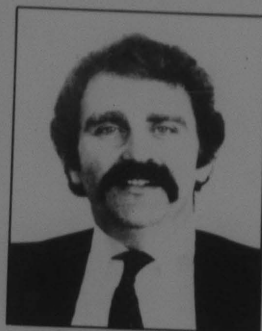
Softsel's Leff launches forums

**CHICAGO**—Softsel is sponsoring a software dealers training program in four major cities during August and September. The multi-vendor training forums, entitled Softeach, will be offered free to selected active Softsel dealers. President Bob Leff said that up to 35 major software publishers would participate, and that about 400 dealers and their salespeople would be accommodated in each city. Active dealers may send up to two people free of charge to Softeach. Each additional participant will pay \$25 per day. Dealers who are not Softsel customers will be admitted on a space-available basis for \$50 per day. The two-day seminar will be held in Los Angeles, Aug. 14-15; New York, Aug. 21-22; Chicago, Sept. 11-12, and Dallas, Sept. 25-26. Future forums in other cities are planned.

**CHICAGO**—The Commodore 64's wholesale price dropped to about \$200 after the June 15 expiration of the \$100 rebate/trade-in offer at the consumer level. That was according to an announcement made at CES by Robert Lane, president, North American operations, for the firm. Other news included the introduction of Magic Desk, a software package for the 64. It gives the user capabilities found in the Apple LISA, noted Commodore Software president Sig Hartmann. The package replaces text instruction with pictures, or icons, on the monitor. The user moves a pointing finger cursor to a typewriter, index file, telephone, calculator and financial journal atop a desk, and a "bit bucket" or wastebasket. For example, when a user wishes to delete a file from memory, he points the cursor to the wastebasket. A joystick, trackball or mouse can be used to move the cursor. The Magic Desk will be priced under \$100 retail and is one of 70 new software products available for the 64 and VIC 20. All model 64 packages are priced well below \$100, Hartmann noted, and VIC 20 software is priced less than \$30.

**CHICAGO**—Bell is realigning the responsibilities of its American Bell subsidiary. Come Aug. 1, Randall Tobias, president of American Bell Consumer Products, will set up a new organization to develop, manufacture and market phones and other communications products to the consumer market. Through a wholesaling operation, the new line of business will sell consumer products to a wide variety of retailers, to American Bell PhoneCenters and to operating telephone companies. The existing American Bell subsidiary will still sell phone equipment to end users through company-owned American Bell PhoneCenters.

**MANAGEMENT MOVES**—Roger Buoy has been tapped for the post of executive vice president in charge of software development for Scholastic, Inc.'s publishing group... **Mort Schwartz** has been elected chief executive officer of SKU. **Bob Brownell** has become senior vice president and general manager. **Don Kingsborough**, formerly president, has taken a board member position, and has at the same time accepted a post at Atari to handle distribution responsibilities... **Robert Hunter** has been promoted to vice president and general manager of CBS Electronics. **Richard Baumbusch** has become vice president of marketing... **Mike Kavanagh** has joined Record A Call answering machine maker T.A.D. Avanti as eastern zone manager.



Scholastic promotes Buoy

**CHICAGO**—Videogame hardware and software casualties are dropping like flies. Emerson has stopped producing its VCS keyboard with Atari 400/800 software compatibility and instead is producing a \$59.95 computer data recorder with high-speed counter and automatic tone system which is compatible with the TI-99/4a. Emerson's Arcadia-2001 videogame system will be sold throughout the remainder of this year, but may be discontinued after that. Its original \$199.95 price tag already has dropped to less than \$50 at most outlets.

Ultravision—the company that touted a videogame console/home computer/TV set model at the winter CES—has gone out of business. The system originally was slated for shipment in March. Another winter CES announcement that has come to nothing is Magnetic Tape International's entry into the videogame biz. The company is discontinuing the cartridge part of its business and is concentrating instead on manufacturing blank audio- and videotape and computer floppy disks.

**CHICAGO**—A handheld game with interchangeable cartridges is still under development by Palmtex. Vice president of marketing Barry Becker told *Merchandising* that the game should be ready for the Christmas period at a \$59.95 suggested retail price. Additional cartridges—tentatively named ReactAttack, Outflank and Intelprobe—will sell for \$19.95 each. The game (called PVS) contains 2K memory expandable to 8K RAM and will be aimed at upscale department stores and chains, Becker said. The product was first shown in January, with Becker then reporting a spring release date.

## Requirements of selling computers result in 'separate but equal' treatment of store

By Irene Clepper, contributing editor  
MINNEAPOLIS—Separate but equal—that's the way Computer King, an offshoot of the long-successful Audio King chain, is being operated.

Although there are similarities between selling home entertainment and computers, the store's management believes that in order to be successful, the computer operation must have its own personnel, advertising program and line of credit.

Computer King is a year old and has grossed approximately \$2.5 million to date. There are five Computer King operations. One is freestanding, the others are situated within Audio King stores, of which there are five. Future Computer Kings will probably be located within the audio stores.

Although physical separation of computers and audio gear is not crucial, each category must be maintained as a distinct business entity, said Randy Carlock, president of both Audio King and Computer King. He is the only person in the two companies who is involved with both operations.

"I believe that a separate company is necessary," he said. "Audio King and Computer King use the same bank, but have separate lines of credit. That way, if one company wants to expand or do something different, it doesn't tie up the other's line of credit."

### Selling techniques differ

In addition, "It takes different personnel to sell computers, a different mentality, education, background, than for selling home entertainment. Computer King is selling productivity. This is different from selling entertainment," Carlock explained. "A computer salesperson is showing a customer how to make himself more productive, or how to improve his business, how to help his kids learn more."

"The philosophy behind the advertising is different, too: It sells our personnel. Product is secondary to the idea that our people will provide solutions to problems," he said.

Computer King also offers its customers more options than does Audio King. It has leasing, for instance, and its own credit plan, although Carlock emphasizes that "our controller is tough, and screening is thorough."

The store currently stocks Hewlett-Packard, Altos and Apple and is in the process of selecting a portable to offer. Prices range from \$2,000 to \$15,000, with most sales in the \$6,000 range.

Among the most popular units are those by Apple. In fact, Computer King is one of only 120 dealers authorized by Apple to lease units to customers.

Computer King bases its sales approach on the consumer's need for training and information. "We feel that our competitive edge is our people," said Carlock. "Three of them have master's degrees, two have degrees in computer science and one has an engineering degree."

Customers are offered three kinds of classes: general sessions, held weekly, in such popular subjects as word processing and financial planning; small groups, for specialized

training, and one-on-one, for individual needs.

One customer was so impressed by the program that he recently flew 15 computers and one of Computer King's teachers to Texas, at his own expense, to set up a hospital administration program.

"We're in this for the long haul," Carlock declared. "One of the reasons the consumer is so untrusting of American business is that the 'good deals' aren't such good deals after all if there is no one there in the long run

to back up the purchase."

He pointed out that a customer may come into the store six or seven times before his system is complete and he's comfortable with it. "He may require additional printers, a graphics package or help in doing his own programming. We are prepared to provide whatever he needs."

After the sale, Computer King stays in touch via a quarterly newsletter. "It doesn't pay for itself, and it doesn't create that many sales. But it's part of the image. It establishes

continuity. The customer stays in touch," Carlock explained.

"We're going to make it more of a product newsletter from now on," he added. "Customers want to keep up with the introductions, whether they buy them or not."

Although he is enthusiastic about the future of computers, Carlock does not look upon them as a replacement for audio.

Computers are, simply stated, a new avenue of growth, Carlock believes. "They fit so many trends in society. The computer is one of the most important tools of the future."

"We haven't had a big increase in productivity in this country in years," he said. "But this is the way it's going to happen."

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## VIDEOGAME SYSTEMS

### ACTION

**BEEZER**, Imagic. Intellivision-compatible. Available this fall.  
**BUMP 'N JUMP**, Mattel. Intellivision-, Atari VCS-compatible. Available second half.  
**BURGERTIME**, Mattel. Atari VCS-compatible. Available second half.  
**BUZZ BOMBERS**, Mattel. Intellivision-compatible. Available second half.  
**CHOPFLITER!**, Broderbund. Atari 5200-compatible. Available this fall.  
**FATHOM**, Imagic. Atari VCS-, Intellivision- and ColecoVision-compatible. Available this fall.  
**FLAP!**, Imagic. Atari VCS-, Intellivision- and ColecoVision-compatible. Available this fall.  
**HOP TO IT**, Imagic. Atari VCS-compatible. Available this fall.  
**KOOL-AID MAN**, Mattel. Intellivision-, Atari VCS-compatible. Available second half.  
**LOCO-MOTION**, Mattel. Intellivision-, Atari VCS-compatible. Available second half.  
**MASTERS OF THE UNIVERSE**, Mattel. Intellivision-, Atari VCS-compatible. Available second half.  
**MISSION X**, Mattel. Intellivision-, Atari VCS-compatible. Available second half.



**MOONSWEEPER**, Imagic. Atari VCS-, Intellivision- and ColecoVision-compatible. Available this fall.  
**MOTOCROSS**, Mattel. Intellivision-compatible. Available second half.  
**NOVABLAST**, Imagic. ColecoVision-compatible. Available this fall.  
**PINBALL**, Mattel. Intellivision-compatible. Available second half.  
**SERPENTINE**, Broderbund. Atari 5200-compatible. Available this fall.  
**SKY BLAZER**, Broderbund. Atari VCS-compatible. Available this fall.  
**TARANTULA**, Imagic. Atari VCS-compatible. Available second half.

### LEARNING

**FLINTSTONES KEYBOARD FUN**, Mattel. Intellivision-compatible (with computer module). Available second half.  
**GAME FACTORY**, Mattel. Intellivision-compatible (with computer module). Available second half.  
**MELODY BLASTER**, Mattel. Intellivision-compatible (with synthesizer and computer adaptor). Available second half.  
**MR. BASIC MEETS BITS AND BYTES**, Mattel. Intellivision-compatible (with computer module). Available second half.  
**NUMBER JUMBLE**, Mattel. Intellivision-compatible (with com-

puter module). Available second half.  
**PROGRAM BUILDER**, Mattel. Intellivision-compatible (with computer module). Available second half.  
**SONG WRITER**, Mattel. Intellivision-compatible (with synthesizer and computer adaptor). Available second half.  
**THE JETSONS' WAY WITH WORDS**, Mattel. Intellivision-compatible (with computer module). Available second half.

### SPORTS

**ALL STAR MAJOR LEAGUE BASEBALL**, Mattel. Intellivision-compatible. Available second half.  
**WORLD SERIES BASEBALL**, Mattel. Intellivision-compatible (with computer adaptor).

### STRATEGY

**ADVANCED DUNGEONS & DRAGONS/TREASURES OF TARMIN**, Mattel. Intellivision-, Atari VCS-compatible. Available second half.  
**IN SEARCH OF THE GOLDEN SKULL**, Mattel. Atari VCS-compatible. Available second half.  
**MIND STRIKE**, Mattel. Intellivision-compatible. Available second half.

### COMPUTERS

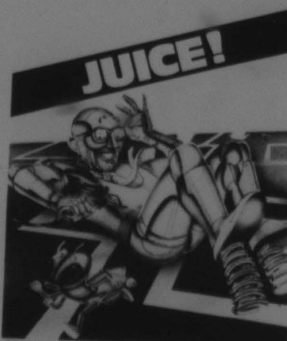
### ACTION

**ASTROSMASH**, Mattel. Aquarius-compatible. Available second half.  
**ATLANTIS**, Imagic. Atari-compatible. Available this fall.  
**ATTACK OF THE MUTANT CAMELS**, HesWare. Commodore VIC 20-, 64-compatible. Available now. Suggested retail \$44.95.  
**BUMP 'N JUMP**, Mattel. Aquarius-compatible. Available second half.



**BURGERTIME**, Mattel. Aquarius-, Apple II series-, IBM PC-compatible. Available second half.  
**CARGO BAY**, Broderbund. Atari-compatible on cartridge. Available now. Suggested retail \$39.95.  
**CHAMELEON**, HesWare. Atari-, Commodore VIC 20-, 64-, TI 99/4a-compatible on cartridge. Available this fall.  
**DONKEY KONG JUNIOR**, Atari. Atari-compatible in ROM cartridge. Available fourth quarter. Suggested retail under \$50.  
**DRAGONFIRE**, Imagic. Commodore VIC 20-compatible. Available this fall.  
**DROL**, Broderbund. Apple II series-compatible. Available this fall. Suggested retail \$34.95 on diskette.  
**EASTERN FRONT**, Atari-compatible on ROM cartridge. Available fourth quarter. Suggested retail under \$50.  
**FATHOM**, Imagic. Atari-, Com-

modore VIC 20-compatible. Available this fall.  
**FLAP!**, Imagic. Atari-, Commodore VIC 20-compatible. Available this fall.  
**FUEGO**, UMI. Commodore VIC 20-, 64-compatible. Available now.  
**JOUST**, Atari. Atari-compatible on ROM cartridge. Available fourth quarter. Suggested retail under \$50.



**JUICE**, Tronix. Atari-, Commodore 64-compatible. Available shortly. Suggested retail \$29.95 Atari, \$34.95 Commodore 64.  
**LAZER ZONE**, HesWare. Commodore VIC 20-compatible. Available now. Suggested retail \$34.95.  
**LOCK 'N CHASE**, Mattel. Aquarius-, Apple II series-, IBM PC-compatible. Available second half.  
**MOONSWEEPER**, Imagic. Atari-, Commodore VIC 20-compatible. Available this fall.  
**MR. JONG**, HesWare. Atari-, Commodore VIC 20-, 64-, and TI 99/4a-compatible on cartridge. Available this fall.  
**MR. TNT**, HesWare. Atari-, Commodore VIC 20-, 64- and TI 99/4a-compatible on cartridge. Available this fall.  
**MS. PAC-MAN**, Atari. Atari-compatible on ROM cartridge. Available fourth quarter. Suggested retail under \$50.  
**NIGHT STALKER**, Mattel. Aquarius-, Apple II series-, IBM PC-compatible. Available second half.  
**NOVA BLAST**, Imagic. Commodore VIC 20-compatible. Available this fall.  
**PENGO**, Atari. Atari-compatible on ROM cartridge. Available fourth quarter. Suggested retail under \$50.  
**POLE POSITION**, Atari. Atari-compatible on ROM cartridge. Available fourth quarter. Suggested retail under \$50.  
**RALLY X**, HesWare. Atari-, Commodore VIC 20-, 64- and TI 99/4a-compatible on cartridge. Available this fall.

**ROBOTRON: 2084**, Atari. Atari-compatible on ROM cartridge. Available fourth quarter. Suggested retail under \$50.  
**ROOTIN' TOOTIN'**, HesWare. Atari-, Commodore VIC 20-, 64-, and TI 99/4a-compatible on cartridge. Available this fall.  
**SPARE CHANGE**, Broderbund. Apple II series-compatible. Available now. Suggested retail \$34.95 on diskette.  
**SUPER AMOK**, UMI. Commodore VIC 20-, 64-compatible. Available now. Suggested retail \$39.95 for cartridge.

### LEARNING

**ALPHABET ZOO**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridges. Available in September.

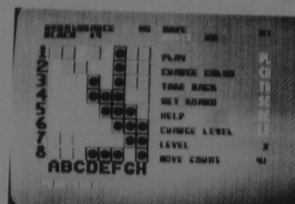
**ATARIMUSIC I**, Atari. Atari-compatible on cassette or diskette. Available before year-end.  
**ATARIMUSIC II**, Atari-compatible on cassette or diskette. Available before year-end.  
**COSMIC LIFE**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.  
**DELTA DRAWING**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.  
**DELTA MUSIC**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.  
**FACEMAKER**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.  
**FRACTION FEVER**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.  
**KIDS ON KEYS**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.  
**KINDERCOMP**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.  
**MATH AND MAZES**, Mattel. Aquarius-compatible. Available second half.  
**PETER PAN'S DARING ESCAPE**, Atari. Atari-compatible on cassette or diskette. Available before year-end.  
**SPELLING IN SPACE**, Mattel. Aquarius-compatible. Available second half.  
**STORY MACHINE**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.  
**THE MYSTERIES OF WONDERLAND**, Atari. Atari-compatible on cassette or diskette. Available before year end.  
**UP FOR GRABS**, Spinnaker. Atari-, Commodore 64-compatible on ROM cartridge. Available in September.

### SPORTS

**FOOTBALL**, Atari. Atari-compatible. Available fourth quarter. Suggested retail under \$50.  
**PENNANT DRIVE**, UMI. Commodore VIC 20-, 64-compatible. Available now.  
**SOCCER**, Atari. Atari-compatible on ROM cartridge. Available fourth quarter. Suggested retail under \$50.  
**TENNIS**, Atari. Atari-compatible on ROM cartridge. Available fourth quarter. Suggested retail under \$50.

### STRATEGY

**CHESS**, Mattel. Aquarius-compatible. Available second half.  
**GRAND MASTER**, UMI. Commodore VIC 20-, 64-compatible. Available now.



**RENAISSANCE**, UMI. Commodore VIC 20-, 64-compatible. Available now. Suggested retail \$39.95 for VIC 20 cartridge; \$39.95 for 64 cartridge, \$29.95 for cassette and \$34.95 for diskette.

# Amazing telephone capabilities hook up into reality at CES

(Continued from page 71)

In addition to the array of designer phones boasting electronic features, more advanced capabilities were shown at the CES as well.

"The phone business could be larger than the entire home entertainment industry by the year 2000," asserted Bob Petkun, vice president marketing and sales, Phone-Mate. "When the doorbell rings, the phone will someday be able to tell us who is there."

Some of these advances have already become reality. American Bell debuted its Emergency Call System smoke/fire alert. The unit is triggered by a smoke detector and automatically dials a prerecorded telephone number to report a fire.

The unit operates with a transmitter that is placed within four in. of each smoke detector in the home. If the smoke detector emits a sound warning, the transmitter signals the console.

Suggested retail price is \$199.95 for the console and \$29.95 for the transmitter. The device is currently being

marketed on the East Coast, and will be rolled out on a national basis during the third quarter.

During a press conference at the CES, American Bell announced a new organizational structure for the firm. As of Aug. 1, American Bell Consumer Products will bring together in a single organization total responsibilities for marketing, design, development, manufacturing and distribution. All involved will report to Randall Tobias, president.

"This will help us assure common goals and directions and lower costs, thereby protecting retail margins," Tobias said.

The 461 American Bell PhoneCenter units will operate as a fully separate subsidiary. Some 3,000 stores currently carry American Bell's products and this figure may soar to 6,000 by the end of 1983, according to Tobias. By September, 500 J.C. Penney units will have the products.

Elsewhere at the show, buyers enamored with high technology were flocking to Anova's booth. The firm showed its Master system, which

consists of a Control Center, a Telephone Center and a Protection Center. Shipping starts this month.

"In 10 years, electronic security will be commonplace to the home," predicted Alex Cilento, general manager. The firm has expansion plans in the works for the Master System, including a thermostat control capability.

The firm's Master System includes a Telephone Center with a built-in answering machine, 16-number dialer and speaker phone. A remote control beeper allows the unit to be operated from any phone. It lists for \$499.95.

The Control Center features remote control of up to 16 lights and appliances. It lists for \$189.95.

The Protection Center provides an intrusion alarm/burglary deterrent, smoke alarm, medical emergency alert and utility failure warning. It lists for \$269.95.

Another home monitoring device was presented by Gulf + Western Industries. The firm's Sensaphone establishes two-way communications with a home by connecting it to a telephone.

The product can monitor electricity, temperature and unusual sounds and any three other environmental conditions chosen. Through the unit's built-in keyboard, the user can program up to four emergency phone numbers.

When answered, the system talks to the receiving party with a voice synthesizer and says what's wrong. Then it switches to a built-in microphone so any unusual sound, such as a smoke alarm can be heard over the phone. Suggested retail is \$249.95, and delivery begins this month.

## Offers phone rebate

In more basic corded models, major innovations were not as apparent. However, it is interesting to note that Conair, a major personal care supplier, entered the market with five models. The firm will offer a \$5 rebate on four of the units.

Suggested retail prices range from \$19.99 for a basic desk phone to \$85 for a cordless model. The firm will provide a point-of-purchase merchandiser for the phones. The line is aimed towards mass merchandisers, drug stores and department stores.

Kraco entered the corded phone market with four models that feature the firm's color coded Emergency

Memory System which enables the caller to expedite calls to the fire and police departments and a doctor. The models list for \$29.95 to \$69.95.

In other product areas, Code-A-Phone debuted a number of new items, including an answering machine which can take a two-hour long message. Suggested retail is \$1,030.

"We've noticed a steady increase in answering machines for personal use," said A.W. Johnson, vice president marketing. "It's a sociological change too, since more women are working today and accept phone answers as useful tools."

Johnson believes that many people are disappointed in lower-end equipment and are trading up. "The marketplace is always ready for high-performance products," he said.

American Telecommunications showed three Answer One answering machines, a line which combines an answering device, dictation machine and dialer into one unit.

The top-of-the-line unit comes with the firm's Allegro phone and lists for \$299. Two other models are also available.

## Tonnage of one-piece phones

While the high-end phones and related units provide the most desirable capabilities, it's the one-piece phones that will be tonnage movers this Christmas, noted George Hardy, president of Mura Corp. "Phones for \$9.95 to \$14.95 will sell the best."

Although electronics will become more important in one-piece models, the basic units as we know them now will be the biggest sellers, Hardy contended.

Jack Lose, director of sales of Midland, believes that one-piece phones for \$9.95 will be in the highest demand during the Yuletide season. "But the full-featured phones will also sell if presented correctly to customers," he noted.

"There's always a market for one-piece phones," said Logan Davis, director of marketing and sales for GTE. "Models for \$14.99 to \$16.99 will be strong holiday sellers."

GTE is planning a TV advertising campaign for 10 top markets that will begin in late November and run through December to boost Christmas sales. The commercials will run for six or seven weeks, Davis said. The firm is also placing ads in People, TV Guide and Reader's Digest.

## Vendors announce new changes in computers

(Continued from page 65)

on-board memory, will list for \$149.95. Also unveiled was the TS 1500, for under \$80. Ross noted that he has plans for this unit in the home/school education market.

Texas Instruments and Commodore posted much of their news in portables and software. TI has changed the color of the 99/4a to an off-white, while the 99/2 black-and-white model shown six months ago at \$99 retail will not come to market. The 99/4a is at \$99 now after a \$50 rebate. Commodore, following the expiration of its \$100 rebate June 15, dropped the wholesale price of the 64 so that it could retail for around \$250.

At least a couple of new faces are bringing systems to market with a different focus: The computers can access Apple and/or CP/M-compatible software. Unirtronics' Sonic computer has 84K RAM and is Apple-compatible through the console's wafer tape medium. It can also accept

an Apple disk operating system (DOS).

Priced under \$400, the console comes with built-in Microsoft BASIC, a word processor, spreadsheet and Frogger game programs. According to president Ed Ghandour, a Z-80 card made by Unisonic will interface with the Sonic to provide CP/M system compatibility.

The computer will be available to dealers on an allocation basis in '83, but Ghandour noted that the short supply situation should be resolved in early '84. He estimated that between 200,000 and 250,000 units would be shipped by the year-end. Dealers can expect delivery in September.

Video Technology is shipping its 16K RAM VZ200 model premiered at the Winter CES, and will now offer the Laser 2000 and 2001, for \$700 and \$300, to be ready by next spring, noted vice president Elaine Hirsch. The Laser series offers Apple DOS compatibility.

## VCR product shortages pose problems for dealers

(Continued from page 45)

electronics Show came away, too, expecting spot shortages in the coming months. Some, like Bill Trawick, vice president, P.C. Richard & Son on Long Island, have added a line or two to cover themselves should a regular supplier be caught short.

"The situation today [mid-June] is a lot better than it was two months ago, but we're still only getting about 40 percent of the product we order from our suppliers," Trawick said.

Henry Mayes, owner of the soon-to-be-opened Hi-Tek Video in Detroit, is another retailer not getting all the product he wants. "We ordered 12 each of both the 2700 and the 5200 Beta Hi-Fi's from Sony," he said. "And we only got six of each. I can get all the SL 2000's or 2500's I want, however."

Almost all the retailers Merchandising spoke with have already ordered product through Christmas in hopes of giving suppliers a better idea of what their production schedule

should be. Mark Travis, manager of the video division of American TV in Madison, WI, said he had heard rumblings in March about possible shortfalls and so committed with his major suppliers through the end of the year. Such early ordering is not commonplace at American, Travis explained. "Those manufacturers who are most important to our product mix readily agreed to get us what we need when we need it because we approached them so early in the year," Travis said.

And finally, a merchandising vice president with a large department store chain predicted that while there might be some spotty TV shortages here and there, he expects to be able to get most of the product he needs. "If the foreign producers find themselves unable to supply us, I feel the domestic companies will be able to make up the slack," he said. "VCR's, which are all imported, don't have this backup. We might see shortages here."



EXPANSION PHONES marketed by Kit Kat International attracted attention for their "gimmick" appeal at the CES. Shown here is the inventor of the phone, Joel Schwartz. The phones will be shipped in September.



## Timex boosts total memory in Sinclair 2000

WATERBURY, CT—Timex Computer Corp. has boosted the memory capacity of its Sinclair 2000 machine, which will be available in August. Also added to the computer is a "soft-touch" key-word data entry feature. The suggested retail price will remain under \$200.

In addition, the company unveiled the Sinclair 1500, to retail under \$80. The 1500 will be shipped this month.

The Sinclair 2000 Series includes two computers—one with 72K RAM at \$199.95, and the other with 40K

RAM at \$149.95. Features include an eight-color range and separate controls for foreground, background and border areas and brightness controls. The computer has a display of 24 lines with up to 64 characters each. High resolution graphics capability is possible with 265 dots horizontally and 192 dots vertically.

The 2000 also includes a built-in real time clock, enabling users to coordinate the computer with household appliances and running time programs. The system uses either

cassettes or plug-in cartridges. About 40 will be available this month.

The Sinclair 1500 is fully programmable, has black-and-white graphics capability, expandable memory, a moveable key typewriter-format keyboard and use of cassettes or cartridges. The 16K RAM machine can be expanded to 32K with the optional TS1016 memory expansion module. It is compatible with software and peripherals for the TS1000.

Timex Computer Corp., P.O. Box 2655, M, Waterbury, CT 06725.



Answerer model 2550

## Code-A-Phone adds high-end answerer

PORTLAND, OR—A top-of-the-line answering system from Code-A-Phone integrates a handset, telephone answering and memo recording functions and a remote feature. Model 2550 lists for \$299.95.

A user can review messages, leave memos for family reminders, and rewind the message tape for full recording capacity by remote control from any Touch-Tone telephone. A personal security number comes with each unit for user protection.

The device's electronic telephone can be changed from rotary to Touch-Tone. Features also include last-number redial, a mute button for private conversation, microcassette tape format and two-speed message capability. The unit can be set to answer on the first or fourth ring.

The answerer becomes a dictation machine at the push of a button. The message tape can record parts of a regular telephone conversation.

Two other remote answerers have suggested retails of \$249.95 and \$199.95.

Code-A-Phone, P.O. Box 5656, M, Portland, OR 97228.

## GE portable CB radio weighs less than one lb.

SYRACUSE, NY—General Electric has introduced HELP 2, an emergency portable citizens' band radio.

The 40-channel unit comes in a carrying case with a full performance, four-watt transceiver, magnetic-mount collapsible whip antenna and cigarette lighter-powered adaptor.

Other features include phase lock loop (PLL) circuitry; electronic scanning for channel selection; a 10mm LED channel readout; recall button for instant access in emergencies; four-segment TX/RX (transmit/receive) meter to measure receiving signal strength and modulation levels; built-in condenser microphone, and automatic noise limiter (ANL).

Weighing less than one lb., the CB has a suggested retail of \$99.99.

General Electric, Audio Electronics Products Dept., Electronics Park, M, Syracuse, NY 13221.

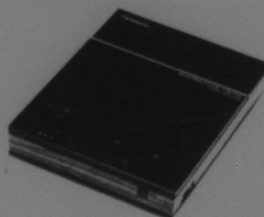
## Panasonic debuts answerers to retail under \$200 each

SECAUCUS, NJ—Panasonic has introduced a pair of compact answering machines to retail under \$200 each.

Model KXT-1410 comes with an electronic microprocessor which lets the user decide how many times the phone should ring before picking up. Outgoing messages can be as long as 30 seconds in length, and incoming calls can be as long as the cassette that records them. A quick-erase function and soft-touch controls are featured. The suggested retail price is \$139.95.

The other model KXT-1420, offers a two-function remote control that operates over any phone line. The user can remotely rewind the full length of the tape to play back all messages, or do so on a message-by-message basis until ordered to stop.

This unit comes with an LED indicator, cue and review system and



Panasonic answerer KXT-1410

a toll-call saving feature. When the toll saver is activated, the answerer will let the phone ring three times before responding, if no incoming calls have been recorded. This permits the owner to hang up before requesting a message playback.

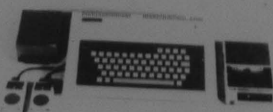
Panasonic, One Panasonic Way, M, Secaucus, NJ 07094.

## Kids run Tutor without parental help

CARSON, CA—Tomy has aimed its Tutor computer at the novice who wants to program, play games and create graphics. The computer has built-in BASIC, 32K ROM and 16K RAM expandable to 64K.

Features of the computer include a high resolution graphics system (256 by 192 pixels on-screen) and a separate cartridge slot on the upper right side of the computer base. The data recorder and voice synthesizer peripherals connect directly to the computer. Sixteen-color graphics and three musical tones with a range of eight octaves per tone are possible.

Each Tomy Tutor comes with an easy to follow instruction manual with documentation designed so that most children from eight years can operate the system with no parental guidance.



Tomy Tutor computer

The suggested retail for the computer will be under \$150.

The keyboard has 101 upper/lower case keys in the ACSII format.

Right now, Tomy has made available 12 game cartridges, including Traffic Jam, Scramble, Demon Diggers, Deep Six, Torpedo Terror, Cave Crawlers, Hyper Space, World War II Triple Threat, Bombardier, Jungler,

Pooyan and Loco-Motion. Three educational cartridges are also available. With an interface/expansion unit planned for fall release, the computer's software capabilities will increase to over 300 educational and entertainment titles.

Tomy Corporation, 901 E. 233rd St., M, Carson, CA 90749.

## EP-20 typewriter can fit in briefcase

PISCATAWAY, NJ—Brother International's EP-20 typewriter weighs less than five lbs. and is only two in. high. Its dimensions make it possible to fit into a briefcase.

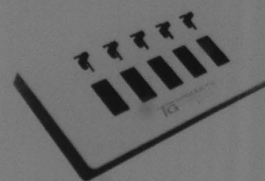
Features include a 16-character visual display, automatic correction system and a dual 88-character office keyboard. The typewriter also has a built-in calculator with four functions.

The EP-20 runs on flashlight batteries or by the included AC adaptor, and uses a mini-cassette ribbon.

Brother International, 8 Corporate Place, M, Piscataway, NJ 08854.



EP-20 portable typewriter



Select-A-Port

## Accessories expand game-play ability

PLANO, TX—Two of TG Products' new computer game accessories are called the Select-A-Port and the TB-600 Track Ball.

The Select-A-Port is a component designed to expand the game-playing capabilities of Apple computers. Once it is plugged into the Apple's single game socket it provides the computer with switch-selectable sockets that can be used in many different configurations for joysticks, game paddles and track balls. The suggested retail price is \$59.95.

The TB-600 track ball is modeled after the track balls used to train U.S. astronauts. It is now available for Apple II, Atari and IBM personal computers.

TG Products, 1104 Summit Ave., Suite 110, M, Plano, TX 75074.



Record O Fone answerer

## Answerer changes messages remotely

BRENTWOOD, NY—Among eight products added by Record O Fone are a remote answerer and a pocket cordless phone.

Model ROF 4800 is a remote telephone answering system on which a user can change his message remotely. The machine will also tell the owner (when calling from another location) how many messages have been recorded since he last checked the machine. Its suggested retail price is \$199, but the company added that it can be promoted for less than \$130.

A pocket cordless phone, model PX 2800, is unveiled as a miniature version of another Record O Fone model. Small enough to fit in a shirt pocket, the cordless entry still has the same 700-ft. range as the larger model. The phone's suggested retail price is under \$100.

Record O Fone, 448 Suffolk Ave., M, Brentwood, NY 11717.

**Personal Electronics  
CES Coverage  
begins on page 65**



## Wafer tape software runs on Unitronics' new computer

OAKLAND, CA—An 84K RAM home computer that accepts wafer tape software has been unveiled by Unitronics. The Sonic computer system will also be joined by a line of peripherals, plus interface modules to expand the versatility of other home computer and videogame systems on the market.

The Sonic is a 6502-based microprocessor that uses a built-in wafer tape drive, which allows for read/write capability and mass storage of 128K bytes of memory. Features include a 16-color display, upper and lower case, full-character 40-column display, 70-key typewriter keyboard with 16 function keys and an expansion port which accepts up to 32K RAM for additional memory and peripherals.

Initial software support for the Sonic will include Microsoft BASIC language, word processor and spreadsheet program, and a selection of game wafers. The Sonic is expected to retail for under \$250.

Peripherals include a 300-bits-per-second modem and a Z-80 card module to enable the already Apple-complementary Sonic computer to run CP/M based programs as well.

## Banana is 80-col. tractor-feed printer

CANTON, MA—Leading Edge Products has introduced a Gorilla to the market. The Banana, a \$249.95 dot matrix printer, is the first product in the Gorilla line.

The Banana is an 80-column, tractor-feed printer, capable of printing alphanumerics or graphics on fan-fold forms from 4 1/2 to 10 in. wide. Print speed is 50 characters per second. (CPS).

Normal character spacing is 10 per inch, equivalent to pica typewriting, with a maximum 80-character typing line. Double-width characters (five per inch) can be substituted under software command from the computer.



Banana printer

Line spacing in letter mode is the typewriter standard six lines per inch. Character sets include U.S., U.K., German and Swedish.

The printer also has both a character and a dot-addressable graphics mode.

A centronics-type parallel interface allows direct hookup to most established microcomputers, including Radio Shack, IBM PC, Apple and Kaypro.

The printer measures 16 in. wide, five in. high and eight in. deep, and weighs 12 lbs.

Leading Edge Products, Inc., 225 Turnpike St., M, Canton, MA 02021.

The company is currently obtaining licenses to put Apple- and CP/M-based programs on wafer tape.

Unitronics has also come up with a line of interface modules which will access the Atari VCS and ColecoVision game systems for the Sonic computer. This will permit the VCS to use a series of Gamealbum wafers being developed.

Unitronics, 401 Grand Ave., Suite 350, M, Oakland, CA 94610.

## Cordless phone has speaker function

CHICAGO—Highlighting Cobra Communications' second-half entries is a cordless telephone with speaker function. Model CP-260S was among a lineup of wireless and corded phones shown at CES.

This particular model sports a hold button, nine-number memory dialer and last-number redial, two-way calling and intercom capability and a wall-mountable base. Its suggested retail is \$209.95.

Model CP-250S, without the speaker phone, includes many features of the CP-260S, and retails for \$189.95. Three other cordless models, at \$99.95, \$119.95 and \$129.95, are also available.

In its Memory Phone line, Cobra showed the MT-202MH with 20-number dialer, last-number redial, switchable true tone or pulse operation, a pause button for PABX and a wall holster. The unit lists for \$49.95. The MT-101MH was unveiled at \$24.95.

Two replacement corded phones are listed at \$14.95 and \$19.95.



Blaster firing module

## Blaster gives player machine gun action

CHEHALIS, WA—Questar has introduced the "Blaster," a plug-in, adjustable-speed, automatic firing module for Atari VCS and 400/800 computers, ColecoVision, and the Commodore VIC 20.

The Blaster plugs in between the game console and the joystick, to add fire power to Defender, Zaxxon, Astro-Blitz and other shoot-em-ups. It converts single shot firing into high speed machine gun action, up to 20 shots per second.

The speed is adjustable and the circuitry is totally passive to protect the game console. It is expected to retail for \$12.95.

Questar Controls, Inc., 670 N.W. Pennsylvania Ave., M, Chehalis, WA 98532.

## Triggerstik adaptor fits atop joysticks

IRVINE, CA—Triggerstik is an arcade-style joystick adaptor from Koch Co. for videogame use. The model features the fire button on top and has a suggested retail price of \$9.95 per pair.

Koch Co., 14252 Culver Dr., Suite A187, M, Irvine, CA 92714.

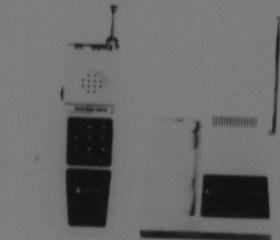
## Teal introduces typewriter, printer

LOMITA, CA—Teal Industries, Inc. has introduced a new portable electronic typewriter, model 250. The 250 has a 10-character correction memory, heavy-duty 12-CPS maximum typing speed and underscoring. It also has a dual 10 or 12 pitch.

The Teal 250 is a compact and lightweight typewriter at 19 lbs. The suggested retail price is \$495.

Also new is the LP-418 line printer, a letter-quality, daisy wheel printer designed especially for small businesses which use microprocessors and word processing. It is Qume compatible and has an 18-CPS print speed.

The machine also has 10 or 12 pitch and parallel interfacing. The printer uses a friction speed system and



Cobra model CP-260S

## Dialer converts phones to Touch-Tone

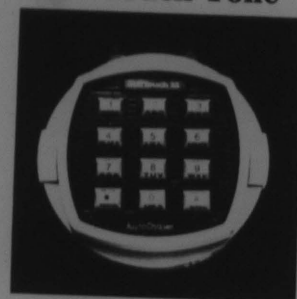
SANTA CLARA, CA—The Soft-Touch dialer from Buscom Systems allows its user to convert any standard phone handset to an automatic Touch-Tone dialer.

The completely portable, compact unit fits inside a custom two-oz. mouthpiece that can be installed by the user.

Its flexible memory stores up to 22 local telephone numbers, stacks positions together to store a total of 12 long distance numbers or combines to allow storage of a number more than 100 digits long. The unit can be used with MCI, Sprint or bank-by-phone operations. The SoftTouch 23 lists at \$59.95.

Two other models, differing in the amount of number storage are also available.

The SoftTouch 43 lists at \$74.95



SoftTouch auto dialer

and the SoftTouch 83 lists at \$89.95.

Buscom Systems, Inc., 4700 Patrick Henry Dr., M, Santa Clara, CA 95050.

## Zoom phone modem retails for \$119

BOSTON—Zoom Telephonics, Inc. has introduced a new modem for Apple computers, expected to retail for \$119. The unit combines the functions of a conventional modem, the Apple communications card and other communications software. The modem is also furnished with software that permits the screen image to be captured in the Apple's memory (RAM).

SUMMA 300 is a single slot, 300-baud direct connect modem designed for the Apple II and ILe

computers. It is self-contained and compatible with any communications software using a standard communications interface. It provides telephone connection to computer data bases without the use of additional software and is FCC approved.

The modem can run at either 300 or 110 baud. The unit plugs into any Apple I/O expansion slot and uses the computer's power, requiring no separate source.

Zoom Telephonics, Inc., 207 South St., M, Boston, MA 02111.



Teal electronic typewriter

has an optional pin feed and auto sheet feeder. The LP-418 is a quiet machine, as well as being compact and lightweight at 20 lbs. The unit measures 19 1/4 in. by 13 1/4 in. by 6 1/4 in., and the suggested retail price is \$645.

Teal Industries, Inc., 1741 Lomita Blvd., M, Lomita, CA 90717.

**Newsline: page 74**

# McGraw-Hill

HOME AND AUTO ELECTRONICS • HOME CARE MAJOR APPLIANCES  
TELEVISIONS • VIDEO • AUDIO • HOME SAFETY • HOME REPAIRERS

User groups yield aid and profit

Teletext on the air in Cincinnati

Software takes off in new directions

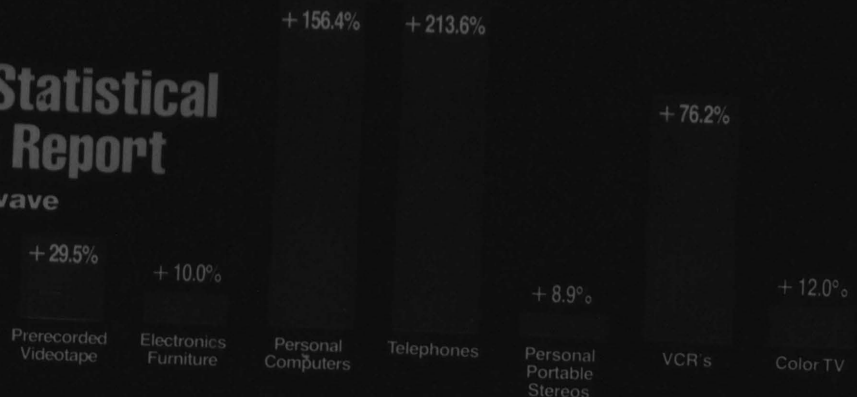
Getaway weekend offers sun,  
fun, computers

## COMPUTERS

Hardware Show unveils  
the latest in air treatment, grills  
and home security

### 9th Annual Electronics Statistical & Marketing Report

...the industry rides a wave



## TRENDINGS IN COMPUTERS



Bill Oeliana

### No Christmas truce planned in the computer price wars

With three of the home computer/videogame industry's biggest manufacturers reporting combined second-quarter losses approaching a half a billion dollars, retailers are starting to ask themselves what this is going to mean come Christmas. Will sales be affected? What's going to happen to hardware prices? Can software maintain its profitability? What can I do to get away from the price wars? All these questions are crying for answers.

As for sales, not to worry, they

should be strong. By all accounts, the personal computer is still going to be the Christmas gift of 1983, even if it doesn't quite live up to some manufacturers' predictions.

The most conservative estimates still place 1983 unit shipments to retailers at between four and six million. *Merchandising's* projected shipment figure for personal and home computers is five million units this year (see the 9th Annual *Electronics Statistical & Marketing Report*, starting on page 25).

Hardware pricing, however, is another matter. What these computers are going to be selling for, come Christmas, is still anyone's guess.

Can prices go any lower on the Atari 400 (now \$69 after the rebate) and the VIC 20 (\$79)? Maybe not. There is little room in the under-\$100 area for prices to drop much further and still turn a profit for anyone concerned.

However, machines expected to be priced at around the \$200 mark may not have hit rock bottom. The Commodore 64 is selling for \$199 in most markets, and indications are that the manufacturer will drop the retail price another \$50 by the end of the year.

At that rate, it will be interesting to see the price tags on the new second-generation machines from Atari, Matel, Panasonic, Timex, Spectravideo and perhaps even TI as they enter the market this fall. When the manufacturers first showed these machines, they implied that they would be priced anywhere from \$200 to \$300. Now, inevitably, they must come in lower than that. Exactly how much lower remains to be seen.

#### Software: a mystery

Even more of a mystery to many dealers is what will happen to software prices in the months ahead. Will they remain stable, or are retailers going to be deluged by a wave of off-price titles come Christmas?

It now looks as if the price on a piece of software may depend on the machine it runs on, unlike in the past, when the software price did not depend on the hardware.

Titles aimed at machines with less than 48K or 64K RAM will probably sell for less than software made for the more-powerful computers.

Once again, Commodore's name comes into the picture. Having dropped software prices on VIC 20 and 64 titles to as low as \$9.99, the company may force third-party publishers to follow suit.

Another point to watch is whether consumers will flock to one computer over another, realizing that its software will cost them less.

#### What's a dealer to do?

Meanwhile, retailers are asking themselves how they can get around the price wars and get on with the work of running a profitable business. One way is to start selling computers based on what they can do—not how much they cost or how many "K" of memory they contain.

As one example, now is the time to really start pushing computers as educational tools for students. As schools begin opening their doors again, the need for computer literacy among students of all ages is going to be more apparent than ever.

It's time to start getting the parents into the store. They might buy on the spot. Or, at worst, they may wait until December.

But whenever they purchase and whatever they buy, they'll be looking to fill a need—not just for the lowest price possible or the most K's for the buck. And it will be a start in getting the industry heading in the right direction.

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**Merchandising  
Computers  
starts on page 39**



# 1983 Is Shaping Up As A Record-Breaking Year For The Video Industry

This is undoubtedly going to go down as a breakthrough year in the video industry. The VCR, which has shown steady gains since its introduction as a mass-market item, is truly taking off. And as it soars, it's helping to take color TV's themselves to new heights.

Also breaking old records is the projection TV. And even the videodisc, which still has not found its niche, is continuing to increase in shipments.

At the center of all this growth stands the workhorse of the video industry, the color TV. At press time, manufacturers predicted that more than 12.7 million of them would be shipped to retailers by the end of the year, an increase of 12 percent over 1982.

The strongest growth comes in the largest (20-in. and over) and smallest (13-in. and under) models. Why is this? Well, the larger sets are benefitting from the video

revolution. No longer are consumers slaves to the three major networks. They are now presented with a veritable smorgasbord of video choices.

These include basic cable services, pay cable programming (such as HBO), videocassettes, videodiscs and, in some instances, programs being received on the satellite earth station in the back yard. People with this kind of choice and quality are going to want to watch it on the best set possible. Hence, they are opting for the 20-in. and over models.

On the other hand, as the computer moves into the home, people are finding that they don't necessarily want to connect it to the main set. Sitting in the middle of the family room is not the ideal way to practice your BASIC, or even balance the checkbook. So, more often than not, a separate, smaller color TV is purchased to function with the computer.

Then there are the videogames. Parents, tired of having Pac-Man as a permanent guest in the living room, are buying the kids a small set of their own and sending them "pac-ing" back to the bedroom.

These two factors are boosting sales of the smaller sets,

those that are 13 in. and under. And sales of units of this size can be expected to grow as the computer revolution continues.

At the same time, the video revolution is spawning more changes in the sets themselves. More than 37 percent of all color sets shipped this year are expected to be equipped with remote controls, giving the consumer command of his many video sources from any seat in the house. More and more of the units, 64 percent to be exact, are also coming cable-ready, eliminating the need for converter boxes in most areas, except where pay TV is in use.

In addition, with all this high-tech equipment, consumers are opting for cleaner styling. In console TV, modern cabinets are showing virtually all the growth this year and are expected to account for 41 percent of all units shipped. French provincial, losing share, is definitely not where it's at in 1983.

As for who's selling all those color TV's, appliance/TV stores continue to represent the bulk of the market, even though they are losing some ground this year. Picking it

CONTINUED ON PAGE 28

## COLOR TV TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Color TV, total	12,744,000	11,377,000	+ 12.0
Portable & Table	10,144,000	8,928,000	+ 13.6
13 in. & under	2,851,000	2,272,000	+ 25.5
14 to 17 in.	540,000	619,000	- 12.8
18 to 19 in.	6,288,000	5,696,000	+ 10.4
20 in. & over	465,000	341,000	+ 36.4
Console & Combo	2,600,000	2,449,000	+ 6.2
23 in.	158,000	209,000	- 24.4
25 in.	2,442,000	2,240,000	+ 9.0

## COLOR TV PERCENT SHIPPED WITH REMOTE CONTROL DEVICES

1983	1982
37.7%	35.6%

## COLOR TV PERCENT SHIPPED CABLE-READY

1983	1982
64.0%	52.2%

## CONSOLE COLOR TV SALES BY FURNITURE STYLE

	1983	1982
Early American	25%	25%
French Provincial	2%	3%
Mediterranean	26%	29%
Modern (contemporary)	41%	38%
Other	6%	5%

## BLACK & WHITE TV TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Black & White TV, total	5,392,000	5,750,000	- 6.2
10 in. & under	1,310,000	1,226,000	+ 6.9
11 to 12 in.	3,823,000	4,128,000	- 7.4
Over 12 in.	259,000	396,000	- 34.6

# 9th Annual Electronics Statistical & Marketing Report VIDEO

## COLOR TV SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	45%	47%
Catalog Chain (Sears, Penneys, etc.)	14%	14%
Catalog Showroom	2%	2%
Department Store	14%	14%
Discount Store	10%	10%
Furniture Store	7%	6%
Video Specialty Store	5%	4%
Other	3%	3%

## BLACK & WHITE TV PERCENT SHIPPED WITH BATTERY-POWERED CAPABILITY

1983	1982
29.3%	28.1%

## BLACK & WHITE TV SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	25%	25%
Catalog Chain (Sears, Penneys, etc.)	21%	19%
Catalog Showroom	4%	5%
Department Store	16%	16%
Discount Store	25%	26%
Furniture Store	3%	4%
Other	6%	5%

## PROJECTION TV TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Projection TV	152,000	117,000	+ 29.9

## PROJECTION TV SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	17%	18%
Audio/Hifi Specialty Store	27%	25%
Catalog Showroom	1%	1%
Department Store	9%	9%
Discount Store	2%	2%
Furniture Store	2%	2%
Video Specialty Store	40%	41%
Other	2%	2%

## VIDEOCASSETTE RECORDER TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Videocassette recorders, total	3,576,000	2,030,000	+ 76.2
Beta	850,000	490,000	+ 73.5
VHS	2,726,000	1,540,000	+ 77.0

## VIDEOCASSETTE RECORDER PERCENT SHIPPED WITH STEREO CAPABILITY

1983	1982
8%	4%

## VIDEODISC PLAYER TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Videodisc Players, total	357,000	240,000	+ 48.8
Laser	44,000	30,000	+ 46.7
CED	313,000	210,000	+ 49.0

## VIDEO CAMERA TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Video Cameras, total	407,000	284,000	+ 43.3
Color	400,000	274,000	+ 46.0
Black & White	7,000	10,000	- 30.0

up are furniture stores and video specialty stores, according to the manufacturers polled.

### Black & White: Off

Black-and-white TV is not faring nearly as well as its color counterpart. In fact, overall shipments are expected to decline this year. Only the smallest units, 10-in. and under, are showing any growth.

The fact that battery-powered models are also picking up would seem to indicate that consumers are turning to black and white, for the most part, as an extremely portable option to be taken with them wherever they go, much like a radio. Watch for this area to grow in the years ahead as breakthrough products such as the Sony Watchman become more prevalent.

Meanwhile, the type of retailers selling black-and-white sets has changed very little. Picking up a percentage point or two are catalog chains and other unidentified dealers. Losing them are catalog showrooms, discount stores and furniture stores.

Rapidly gaining steam this year is the still-young projection TV market. Some 152,000 units are expected to be

shipped this year, an increase of 29.9 percent over 1982. High price points appear not to deter consumers who really want this sort of product. And improvements in picture quality and more compact cabinets are helping drive the market upward.

Not surprisingly, most of these units are being sold by stores that can deliver, set up and service a product of such size. Video specialty stores are expected to capture 40 percent of the market this year and audio/hifi specialty stores, 27 percent. They are followed by appliance/TV stores with 17 percent. Other types of retailers linger far behind, and probably will continue to do so for many years to come where this product is concerned.

### VCR Shipments Skyrocket

The big story in video this year is in VCR's. Manufacturers are predicting that a record-breaking number of units—close to 3.6 million—will be shipped to dealers, an increase of 76.2 percent. Apparently the product has reached the right price and level of saturation to turn it into a true mass-market item.

VHS continues to maintain its lead over the Beta format. It is expected to make up about 76 percent of the

market this year, compared to Beta's roughly 24 percent, according to the manufacturers polled. Stereo VCR's, however, are becoming more popular with about eight percent of the units shipped this year so equipped compared with four percent last year. With the introduction of Beta HiFi this spring, perhaps this format will gain something of an edge in the months ahead, at least among the audio-conscious market, before VHS HiFi gets going.

Among VCR retailers, we find audio/hifi specialty stores gaining (another bow to the stereo feature) along with catalog chains and discount stores. Losing sales are appliance/TV stores and other unidentified dealers.

Riding the wave of VCR sales is the video camera, with shipments of color units expected to hit 407,000 units this year, a 46 percent increase.

And videodisc players are also gaining ground. Although vendors say they should show a growth rate of 48.8 percent this year, a look at the numbers reveals that a still comparatively small 357,000 are expected to be shipped. CED units are predicted to account for about 88 percent of the market, laser models, 12 percent.

As for dealers, appliance/TV stores seem to be taking best to the product. One third of the videodisc players sold this year are expected to pass through their doors.

### VIDEODISC PLAYER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	33%	36%
Audio/Hifi Specialty Store	12%	11%
Catalog Chain (Sears, Penneys, etc.)	10%	10%
Catalog Showroom	3%	2%
Department Store	12%	12%
Discount Store	6%	7%
Video Specialty Store	23%	21%
Other	1%	1%

## 9th Annual Electronics Statistical & Marketing Report VIDEO

### VIDEOCASSETTE RECORDER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	29%	31%
Audio/Hifi Specialty Store	12%	10%
Catalog Chain (Sears, Penneys, etc.)	10%	9%
Catalog Showroom	3%	3%
Department Store	11%	11%
Discount Store	10%	9%
Video Specialty Store	22%	22%
Other	3%	5%

## Computer, Video Equipment Units Should Register Gains In Electronics Furniture

As the hardware goes, so follows the furniture.

That appears to be the rule of thumb guiding the electronics furniture market in this, the second year that *Merchandising* has gathered statistics on this rapidly growing category.

Overall, shipments to retailers are expected to climb 10 percent this year, according to the manufacturers, with better than five million units shipped.

But where is the strength? Most of the growth, not surprisingly, is falling in the home computer table area.

Here, more than 400,000 units are expected to be shipped in 1983, almost a 167 percent increase over the 150,000 pieces shipped last year.

Apparently, home computer owners are catching on to the fact that once they get their latest electronics acquisition home, they have to have somewhere to put it—especially as they start adding disk drives, monitors, printers, modems and all the other paraphernalia that goes with home computing.

Also picking up are shipments of furniture designed to hold a TV, a VCR and even a videodisc player. It looks like even in the video arena consumers are starting to search for places to stash all the hardware and software that they are so rapidly accumulating.

Audio/video centers are picking up steam as well. The long-awaited marriage of audio and video may, at long last, be reaching the consumer level with significant force. This piece of furniture will be one to watch in the months ahead as stereo-equipped television broadcasting gets underway in the U.S. It can be expected that an

increasing number of consumers are going to want their audio and video equipment conveniently grouped together at that time.

Also showing gains in electronics furniture are basic TV carts and microwave oven carts.

The only product expected to decline is the stereo cart. And shipments of furniture designed to hold audio-components are expected to be flat.

### Computer Stores Jump In

Not unexpectedly, it's the computer specialty store and video specialty store that are showing growth this year in the amount of electronics furniture sold. That is where many consumers are turning to buy computers and video equipment that are most in need of some sort of furniture. Catalog showrooms also are picking up some sales.

This growth, however, comes at the expense of appliance/TV stores, department stores and discount stores, all losing ground in this very profitable category.

### ELECTRONICS FURNITURE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Electronics Furniture, total	5,093,000	4,628,000	+ 10
Audio (components)	820,000	820,000	0
Audio/Video Centers	165,000	145,000	+ 13.8
Home Computer Tables	400,000	150,000	+ 166.7
Microwave Oven Carts	642,000	611,000	+ 5.1
Stereo Carts	110,000	132,000	- 16.7
Television Carts	2,300,000	2,172,000	+ 5.9
TV/VCR/Videodisc Player	481,000	331,000	+ 45.3
Videogame Carts	175,000	267,000	- 34.5

## 9th Annual Electronics Statistical & Marketing Report ELECTRONICS FURNITURE

### ELECTRONICS FURNITURE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	25%	27%
Audio/Hifi Specialty Store	9%	9%
Catalog Chain (Sears, Penneys, etc.)	10%	10%
Catalog Showroom	10%	9%
Department Store	13%	14%
Discount Store	20%	21%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	2%	2%
Computer Specialty Store	4%	2%
Video Specialty Store	3%	2%
Furniture Store	2%	2%
Microwave Oven Specialty Store	1%	1%
Other	1%	1%

## Personal Computers and Telephones Lead Personal Electronics Shipments

Even with all the activity taking place in the other consumer electronics categories, it would be no understatement to say that the real action is in personal electronics. After all, this is the category that features the two premier products of the year—the personal computer and the telephone. And not many products have ever exhibited the kind of growth that these two items are expected to show in 1983.

The category also contains the videogame, last year's star, still doing a decent, if somewhat flat business in hardware, although the software is flourishing, at least in units shipped.

The calculator, while almost a 30-million-unit-per-year industry on its own, is registering a bit of a decline this year, although it still has its stars.

Non-video electronic games are down as well, with only board games showing any life. Meanwhile, radar detector shipments are up for the year, with some 681,000 units expected to reach retailers' shelves.

It should be noted that while *Merchandising* attempted to track shipments of both analog and quartz watches for 1983, the task proved futile. Too many manufacturers and importers with too little insight into the market as a whole made the job impossible.

Manufacturers predict that shipments of personal computers should hit the five million unit mark this year, a 156.4 percent increase over the 1.95 million units shipped in 1982. How many of these units will actually sell through to consumers, however, is unclear in this extremely volatile market.

What is clear is that growth in retail dollars is not going to live up to the growth in units shipped. Prices have been falling all year, and will no doubt continue to do so into the all-important fourth quarter.

For example, according to the vendors, one third of all the personal computers sold in 1983 will go for less than \$500. This compares with 25 percent in the previous year.

All in all, 57 percent of the computers should go for under \$1,000 this year compared with 39 percent in 1982.

It's also interesting to note that fewer personal computers are being bought for business purposes. This year, for the first time, the most computers sold, 44 percent, are expected to be used mainly for personal and home use. Business/professional use comes in second, with 38 percent. School and educational uses, while third, show an increase of three percentage points over 1982.

Who's going to be selling all these products to the computer-hungry consumers? Computer specialty stores will hold the bulk of the market, although they are losing share, slipping from 44 percent last year to a projected 41 percent in 1983. Next in line are electronics specialty stores (Radio Shack in particular), although they too show a decline from 21 percent to 20 percent.

Picking up much of the market share is the discount store, moving from three percent of the market to an anticipated six percent this year. Catalog chains are expected to

pick up two percentage points, climbing to take seven percent of the market. And office supply stores are expected to move from one to two percent of the total market.

Meanwhile, back with the product that started it all, the videogame, shipments are expected to grow, but only slightly. The manufacturers project that some 6.7 million pieces of hardware will be shipped this year, an increase of just 2.4 percent.

Selling most of these units will be discount stores, with 22 percent of the market, the same as last year. Gaining ground in 1983 are expected to be drug stores and toy stores. Losing it should be appliance/TV stores and catalog showrooms.

Videogame cartridges, by comparison, are doing much better, at least in shipments to retailers. Close to 77 million are expected to be shipped this year, a 26 percent increase over 1982's figure. Again, however, this represents products shipped to the dealers, and not what they actually sell through to the consumer.

Expected to sell the most videogame cartridges this year are discount stores, with 22 percent of the market. However, this is down from 24 percent last year.

Picking up sales, according to the manufacturers, are audio/hifi specialty stores, convenience stores and video specialty stores. Losing it are catalog chains, department stores and the discount stores.

### Phones Take Off

As the deregulation of AT&T proceeds, more retailers enter the market and manufacturers continue to multiply

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#### PERSONAL COMPUTER TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Personal Computers	5,000,000	1,950,000	+156.4

#### PERSONAL COMPUTER SALES BY PRICE RANGE

	1983	1982
Under \$500	33%	25%
\$500 - \$800	11%	12%
\$801 - \$1,000	13%	12%
\$1,001 - \$1,500	19%	23%
\$1,501 - \$2,000	7%	8%
\$2,001 - \$2,999	17%	20%

#### PERSONAL COMPUTER SALES BY INTENDED USE

	1983	1982
Business/Professional	38%	44%
Personal/Home	44%	41%
School/Educational	18%	15%

#### PERSONAL COMPUTER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	5%
Audio/Hifi Specialty Store	5%	5%
Catalog Chain (Sears, Penneys, etc.)	7%	5%
Catalog Showroom	6%	6%
Computer Specialty Store	41%	44%
Department Store	5%	5%
Discount Store	6%	3%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	20%	21%
Hobby/Toy Shop	4%	4%
Office Supplies Store	2%	1%
Other	1%	1%

## 9th Annual Electronics Statistical & Marketing Report

## PERSONAL ELECTRONICS

#### PHONE AND PHONE ANSWERER TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Phones, total	14,180,000	4,521,000	+213.6
Standard	7,750,000	1,406,000	+451.2
Decorator	1,680,000	1,592,000	+5.5
Advanced Electronic	750,000	536,000	+39.9
Cordless	4,000,000	987,000	+305.3
Phone Answerers	1,251,000	868,000	+44.1

#### PHONE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	7%	6%
Audio/Hifi Specialty Store	5%	4%
Catalog Chain (Sears, Penneys, etc.)	13%	14%
Catalog Showroom	15%	15%
Department Store	15%	14%
Discount Store	16%	18%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	11%	5%
Phone Specialist	15%	19%
Other	3%	5%

#### VIDEOGAME TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Videogames	6,700,000	6,542,000	+2.4
Videogame cartridges	76,982,000	61,000,000	+26.2

#### VIDEOGAME SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	7%	8%
Audio/Hifi Specialty Store	5%	5%
Catalog Chain (Sears, Penneys, etc.)	17%	17%
Catalog Showroom	10%	12%
Department Store	16%	16%
Discount Store	22%	22%
Drug Store	2%	1%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	3%	3%
Toy Store	14%	12%
Video Specialty Store	3%	3%
Other	1%	1%

#### VIDEOGAME CARTRIDGE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	4%	4%
Audio/Hifi Specialty Store	6%	5%
Catalog Chain (Sears, Penneys, etc.)	16%	17%
Catalog Showroom	6%	6%
Convenience Store	2%	1%
Department Store	12%	13%
Discount Store	22%	24%
Drug Store	2%	2%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	8%	8%
Toy Store	13%	13%
Video Specialty Store	5%	4%
Other	4%	3%



CONTINUED FROM PAGE 31

like mad, the phone industry is gearing up for its biggest year ever in 1983. Manufacturers are predicting a whopping 213.6 percent increase in telephone shipments this year.

All in all, more than 14 million phones are expected to be shipped to dealers. Some 55 percent of them will be standard telephones, 28 percent will be cordless, 12 percent will be decorator and five percent will be advanced electronic units with features such as automatic redial.

Manufacturers expect that about four million cordless units will be shipped to retailers this year, up from just under one million last year. As a result, a number of dealers are taking steps to ensure that neighboring cordless phone owners aren't popping in and out of each other's conversations. New technologies are being used and the Federal Communications Commission (FCC) has been convinced to change the frequencies open to cordless telephones.

Among the leading retailers selling phones this year are discount stores, catalog showrooms, department stores and phone specialists. Coming on the fastest are electronics specialty stores, such as Radio Shack. With five percent of the market in 1982, they are expected to jump to 11 percent this year. Also gaining are appliance/TV stores, audio/hifi specialty stores and department stores. Losing ground are catalog chains, discount stores and telephone specialists.

Phone answerers are expected to do a land office business as well this year. Some 1.2 million are expected to be sold, up 44 percent from the 868,000 of 1982.

Discount and department stores are expected to cap-

ture much of the sales for this product, although both will be down from last year's levels, as will catalog chains. Picking up market share are appliance/TV stores, catalog showrooms and phone specialists.

### Calculator Sales Slump

A far more mature product, the electronic calculator, is no longer showing the growth it once did. In fact, overall sales are expected to drop about one percent this year. Nevertheless, close to 29 million units should still be shipped.

Hand-helds continue dominating the market with 86 percent of the unit shipments. Broken down, the hand-helds are: about 10 percent mini-card; six percent printer; less than one percent programmable; 19 percent scientific and 65 percent in other formulations. Showing the most growth is the printer. Programmable models exhibit the steepest decline.

Desk-top calculators make up about 14 percent of all the calculators shipped. Broken down, they are: 17 percent display only; 19 percent printer only, and 64 percent printer/display. Each is expected to ship less than last year.

Moving the most calculators at retail (another sign of the product's maturity) are discount stores, with a steady 32 percent of the market. Next in line are catalog chains, followed by catalog showrooms and department stores. All the other outlets have less than 10 percent of the total market.

Another product in decline, at least this year, is the non-video electronic game. Total shipments are expected to decline 8.6 percent to about 12.8 million units.

In this category, only board games, such as chess, are expected to show an increase. There, shipments are projected to jump almost 12 percent to some 3.7 million units.

Meanwhile, hand-held games are showing a 15 percent drop in shipments to just over nine million units. In recent years, these models have not been able to offer consumers the excitement of a videogame, and have lost out in the battle for disposable income. Manufacturers, however, keep trying to come up with new game titles and formulations. Perhaps one will strike the right combination somewhere down the road and send this category soaring once again.

In 1983, most of the electronic games sold are expected to be moved through catalog chains and toy stores. They are, however, losing market share. Catalog chains are expected to lose two percentage points, toy stores, one. Also down are catalog showrooms and hobby shops. Showing gains are department stores, discount stores and electronics specialty stores.

One final product in the personal electronics category that is showing an increase this year is the radar detector. Shipments are expected to climb 12 percent to some 681,000 units.

Who's moving radar detectors? Discount stores are. They are expected to capture 18 percent of the market this year, up from 17 percent in 1982. Next in line are CB specialty stores with 15 percent, up from 13 percent; truck stops with a steady 14 percent; automotive supply stores with 14 percent, down from 16 percent; electronics specialty stores with seven percent, up from five percent; catalog chains with six percent, down from nine percent, and appliance/TV stores with three percent, up from one percent.

### PHONE ANSWERER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	4%	3%
Audio/Hifi Specialty Store	3%	3%
Catalog Chain (Sears, Penneys, etc.)	12%	13%
Catalog Showroom	10%	9%
Department Store	24%	26%
Discount Store	26%	27%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	7%	7%
Office Supply Store	4%	4%
Phone Specialist	8%	7%
Other	2%	1%

### CALCULATOR TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Calculators, total	28,749,000	29,030,000	-1.0
Hand-held, total	24,609,000	24,492,000	+0.5
Mini-Card	2,416,000	2,406,000	+0.4
Printer	1,395,000	1,302,000	+7.1
Programmable	111,000	123,000	-9.8
Scientific	4,770,000	4,760,000	+0.2
All other	15,917,000	15,901,000	+0.1
Desk-Top, total	4,140,000	4,538,000	-8.8
Display Only	700,000	875,000	-20.0
Printer Only	802,000	880,000	-8.9
Printer/Display	2,638,000	2,783,000	-5.2

## 9th Annual Electronics Statistical & Marketing Report

## PERSONAL ELECTRONICS

### CALCULATOR SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	3%
Book Store	1%	1%
Catalog Chain (Sears, Penneys, etc.)	22%	22%
Catalog Showroom	13%	13%
Department Store	10%	10%
Discount Store	32%	32%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	4%	4%
Office Supply Store	8%	8%
Other (including Drug Stores)	7%	7%

### ELECTRONIC GAME TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Electronic Games, total	12,834,000	14,045,000	-8.6
Hand-held	9,085,000	10,688,000	-15.0
Board (strategy)	3,749,000	3,357,000	+11.7

### ELECTRONIC GAME SALES BY TYPE OF OUTLET

	1983	1982
Book Store	2%	2%
Catalog Chain (Sears, Penneys, etc.)	22%	24%
Catalog Showroom	15%	17%
Department Store	16%	14%
Discount Store	15%	13%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	8%	6%
Hobby Shop	3%	4%
Toy Store	18%	19%
Other	1%	1%

### RADAR DETECTOR TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Radar Detectors	681,000	608,000	+12.0

### RADAR DETECTOR SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	1%
Automotive Supply Store	14%	16%
Catalog Chain (Sears, Penneys, etc.)	6%	9%
Catalog Showroom	17%	19%
CB Specialty Store	15%	13%
Department Store	3%	3%
Discount Store	18%	17%
Truck Stop	14%	14%
Electronics Specialty Store	7%	5%
Other	3%	3%

# Merchandising COMPUTERS

## Hardware vendors plan software title explosion

By Bill DeSiena, associate editor  
SUNNYVALE, CA—Software retailers can expect to see some familiar names on a lot of new products in the near future. A number of major hardware vendors are moving more strongly into the software arena, issuing titles not only for their own systems, but for competing products as well.

Atari, Mattel and Odyssey are all heading in this direction. Commodore, while it has no plans to do so, is not ruling out third-party publishing altogether. Only Texas Instruments

has said it will not enter the market. Atari Software Publishing is one of the more recent ventures of Atari, Inc. The division will release seven game titles starting in late September for the Apple II series, Commodore's VIC 20 and 64, the IBM PC and for Texas Instruments' 99/4A. Four more titles are scheduled to be released for the TI machine before the year-end, even though TI has said it may take action against any unauthorized publisher that uses its patented GROM (graphics read-only memory) cartridge.

Division vice president Fred Simon, most recently a vice president of marketing with Walt Disney Telecommunications in the computer software area, said that a system must have at least 500,000 units before Atari will consider it as a target. If Coleco's Adam and Radio Shack's Color Com-

(Continued on page 50)



### Comfortable customers forget fears

USER-FRIENDLY DECOR puts computer shoppers at ease at Appletree Computer, a spinoff from Appletree Stereo, DeKalb, IL. To bring computer-wary customers into the market, the two-unit operation also offers an aggressive classroom training program, computer camps for children and an outside sales staff with each employee specializing in a single vertical market. See page 44 for the full story.

## Apple-only card from GECC gives credit on the spot

CUPERTINO, CA—"Will that be cash or credit card?"

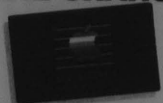
"Put it on my Apple."

This conversation between clerk and customer may be taking place at as many as 800 authorized Apple Computer dealers, or about 1,400 stores, across the U.S., now that Apple is offering the first manufacturer-sponsored credit card for the retail computer industry. The card is good for buying Apple computers and compatible peripherals and software.

Designed by General Electric Credit Corp. (GECC), the program went into

(Continued on page 42)

### TAKE CHARGE



WITH THE APPLE CARD  
Only \$ down payment

\$75 DOWN will buy an Apple computer at authorized dealers, now that the company, in conjunction with General Electric Credit Corp., has launched its own credit card.

## The 'Etc' now means computers

## Microwave Cooking bids to double volume

By Bill DeSiena, associate editor

MIAMI—The potential to double store volume with a product that could earn more than six times current sales per square foot has taken a leading microwave oven and accessories franchise right into the computer market.

Microwave Cooking, Etc. (MCE) has announced that it will start selling personal computers in its franchise operations following a more-than-successful trial run at one outlet here. President Harvey Rose explained why.

His average store now does about \$500,000 per year in a 2,000- to 3,000-sq.-ft. facility (that includes a showroom, stock space and a cooking school). That would come out to roughly \$200 per square foot per year.

With computers, however, Rose plans to use between 300 and 500 sq. ft. of space, and claims each store could go between \$500,000 and \$600,000 in the category. That would mean approximately \$1,375 per square foot per year, or better than six times what the store is now earning.

Rose may be overstating the initial yield, and he admits that the new venture could be a "tremendous" boost to his franchise program. If his promise to his 35 U.S. franchisees is even partly true, computers plus Microwave Cooking, Etc. could add up to a lot of profit.

But can a store that sells microwave ovens and cookware really sell per-

sonal computers? To find out, Rose launched a prototype department here, expecting it to do anywhere from \$5,000 to \$7,000 in the first week. Instead, it took in \$12,000.

MCE's products are being aimed at the average guy who wants to get involved with computers, said Rose, albeit at a relatively high level. The

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## Will software prices be held? The publishers stand divided

By Lee Rath, editor

CHICAGO—Are you going to be able to hold your prices on software in the months ahead? Or is profitability going to follow the pattern already set by hardware and go right down the tube?

To find the answers to these questions, *Merchandising* turned to a number of third-party publishers and

others in the industry. And we found that when they talk pricing, they divide into three camps:

- those who maintain prices must come down;
- those who urge they should not, and

- those who declare they cannot.

The manufacturers who claim that

(Continued on page 48)



FOR SIX MONTHS  
Business showing  
computers at a hotel  
showroom weekend  
and only 1,000  
registered customers  
were able to see the  
new line. Read about it  
on page 46.

## MERCHANDISING COMPUTERS

# Two-day computer fair packs in 750 prospects

By Bill DeSiena, associate editor

SCHAUMBURG, IL—How does a retailer get the attention of 750 to 1,000 potential computer customers for a two-day period? Bring the machines to them, that's how, in a non-selling environment—like a computer fair.

A group of local dealers and manufacturers recently tested this approach at the first Hyattfest computer weekend, sponsored by the Hyatt Regency Woodfield here. Although no machines could be sold at the event, retailers passed out store flyers and dollars-off coupons and even took orders from a wide array of attendees.

Computer-curious parents were led around the hotel by their kids—typically the family experts on the subject—to try out the 175 computers available. The exhibitors were, in this environment, able to answer the questions of those consumers whose lack of knowledge might postpone a trip to the computer store for fear of getting a strong sales pitch. It was this point in particular that has already sold those dealers involved on planning for next year's show.

Other than distributing leaflets before the weekend fair, retailers were not responsible for promoting the event. The Hyatt assumed that role, and drew about 750 people (maybe more) in with discount room rates, plenty of activities and lots of prizes.

### Dealers assigned brands

When the Hyatt approached the retail community about the weekend idea, it promised each dealer the right to demo a computer hardware line that no other exhibitor would be showing. As a result, dealers were able to push a product by emphasizing features instead of battling with an exhibitor in the next booth. And, attendees were able to view virtually every popular brand of personal computer on the market.

"We've seen a lot of people come through here, sit down and try our machines," noted Mitch Krasowski, manager of Schaak's Digital Den, situated across the street in the Woodfield Mall. "Most of these people are from the area, and we hope they come to the mall to see us." Like others at the show, Krasowski advertised the Hyattfest with handouts prior to the weekend.

Video King, one of the largest dealers in the Midwest, also exhibited. Arnold Boyd, computer department manager at the Schaumburg location, said that while he wasn't allowed to sell the Commodore, Sanyo, Olivetti and Toshiba machines on display, orders were being taken.

Bob Borkhead, owner of the Computer Outpost, a local specialty store, was invited to attend by another exhibitor, the Suburban Chicago Atarians (SCAT) user group. "I've received so many inquiries from peo-

ple at this event, that if SCAT hadn't invited me to speak to its members, I probably would have been here anyway," he said.

To spread the word about his store, Borkhead handed out flyers with dollars-off coupons toward the purchase of selected hardware and software.

### Attendees pose questions

As interested as many parents were about getting comfortable with a keyboard, many posed issue-oriented questions to the exhibitors. Do computers contribute to isolationism among children? Will computers and communications create an invasion of privacy, similar to that written about by George Orwell in 1984? How and when will computers fit into the educational system?

"Those are precisely the type of questions we hoped people would find answers to here, versus in a store environment," explained the Hyatt's director of sales and marketing Brad Poncher.

The attendees came in force. About 250 rooms were rented for the Saturday night during the Hyattfest, at a rate of \$45 per night for up to four persons per room. This rate is considerably lower than the going weekday fare, starting at \$69, and included admission to the fair.

The hotel also arranged with exhibitors to donate prizes, which included an Epson HX-20 notebook computer, a Commodore VIC 20, a



THE KIDS LED curious, but often confused, parents through the Hyattfest's array of 175 models on display.

multitude of software titles and computer instruction books.

"We started this weekend program with a ChocolateFest last November. The goal is to increase business from residents in the surrounding areas," Poncher noted. Being close to O'Hare airport, the hotel does most of its business in small conventions and cor-

porate meetings during the week.

Because Poncher termed the arrangement a success, a second program is planned for March or April 1984. And if the Hyatt chain sees some merit in a computer fair, the idea could be spread to other locations around the U.S., where more retailers could take advantage of similar events.

## User group can avert customer complaints

By Bill DeSiena, associate editor

CHICAGO—Introducing a computer customer to a local user group before technical questions arise can avert frustration and disloyalty to your store. Doing so will also free up your salespeople to accomplish their prime goal: selling more computer product.

Dealers romancing an area computer club may reap other benefits, such as latching onto an expanded customer base of serious computer users, hands-on product information and a critical source to separate the hardware gems from the ripoffs.

As more and more product lands on retail shelves, the user group becomes a desirable ally for the store. Like any relationship, this one involves a little give-and-take on both sides. Discussed below are seven tips to help a computer seller get in touch with local user groups.

**Find a group and attend a meeting.** To get clubs to come to you, sometimes you've got to find them. During the course of a sale, have your salespeople ask the customers if they know of any user groups around, or have them fill out an information card

at the point-of-purchase. The system they've chosen may have been influenced by a friend in a local group.

**Refer computer purchasers to the user group when technical questions arise.** The \$200 hardware sale that you've just made five dollars profit on can put you in the red if the customer continually comes back with questions the salesperson either can't answer or doesn't have the time to address. To avoid creating customer frustration and disloyalty to the store, send him to the user group before questions arise. This relieves the store of the responsibility for answering technical questions. Not only that, but any or all of your salespeople won't have to meet the "technoid" requirement which may save training and hiring dollars over the long term.

**Get to know the movers among user group members.** Establish a working relationship with the group. Bob Borkhead, owner of the Computer Outpost in Schaumburg, IL, offers members of the Suburban Chicago Atarians (SCAT) 10 to 15 percent discounts on selected merchandise. "That's a small price to pay for the scoop on products and new uses we get in return," he pointed out. Borkhead figured he actively has contact with 100 of the 350 SCAT members.

Sandy McLain, owner of Complete Computing in Schaumburg, agreed with Borkhead. "From SCAT and other user groups in the Chicagoland area, we get a steady flow of traffic and product information. In turn, we offer discounts to club members. It's a dollars and cents relationship."

**Offer your store as a user group meeting place.** Borkhead takes the arrangement one step further. He lets SCAT use his store for its once-a-month Saturday morning meetings, and provides coffee and donuts on those days. "By doing so, SCAT has become my own user group," he continued.

**Donate samples of hardware and software for testing.** One of the most important functions of a user group is to pass along information to its members on which products to buy and which to avoid. Bruce and Susan Shipyard, a husband and wife team of game software critics, provide this service to fellow SCAT members.

Affectionately known as the club's Game Master and Game Mistress, the couple bought their first Atari computer two years ago "when Bruce wanted another game to play with," Susan commented. Now they own two Atari 800's.

Bruce reviews on the average of four games per month, in turn telling SCAT whether a game is good enough to merit the price retailers are asking for it. "Fewer retailers today are allowing customers off the street to preview a game in the store by themselves," Shipyard noted.

Susan, also serving as president of WACO (Woodfield Area Computerist Organization), a multi-system user group, said the dealers themselves listen to Bruce's feedback. "Bruce will go into Video King, where he knows some of the employees, take a new game home and then tell the store whether he thinks it's a hit or not," she

## MERCHANDISING COMPUTERS

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## MERCHANDISING COMPUTERS

### MCE will merchandise bundled systems only

(Continued from page 39)

stores will sell Franklin's Ace and Sanyo's computer lines, "which are Apple- and IBM-software compatible," Rose pointed out. Hardware will be bundled with software to produce price points between \$1,000 and \$3,000.

Working with MCE as a partner in this effort is Southern Microcomputer, a specialty dealer in southern Florida.

#### Two salespeople needed

Rose figures that each store will have to add two computer-savvy salespeople and give up 15 to 20 percent of its total floor space to sell \$600,000 worth of computers per year. New staff members will be trained at MCE's existing center in Miami.

While Rose believes in training his salespeople, he does not feel the same way about his customers. Unlike with microwaves, MCE will not offer customers any classroom time on computers. "We'll have knowledgeable salespeople manning the departments, but won't back that up with classes. For the customer we're aiming at, we don't need them. We're not reaching customers who want to program or work a database," Rose explained.

"What we're selling (computers) is not technologically very difficult anymore. People just want to take one home and start working on it," he went on.

To cater to this customer, MCE will only sell computers, like those from Franklin and Sanyo, that bundle hard-

ware components such as printers, disk drives, modems and software into a system. But users will be able to return for software and accessories, including furniture.

Will regular MCE customers be the ones buying personal computer products at the store? "I'm not counting on it at all, although there is a definite synergy in selling both products together," Rose said. "Like microwaves, computers possess a certain mystique about them."

MCE has already begun testing the

new line in its prototype store. Over the first seven-day period, with the help of local newspaper ads, it was figured that computers would bring in between \$5,000 and \$7,000. With only a moderately trained staff, "we did about \$12,000 worth of business," the chain's president reported.

Almost every one of MCE's 35 U.S. franchisees should be set up with computers by next month. Beginning in February or March of '84, the company plans to open one franchise a month for the next 24 months. New franchisees will not have the option to reject the computer department as existing ones do.

"And if computers really catch on," said Rose, "I think we'll change our name to Micros, Etc."



"WHAT WE'RE SELLING is not technologically very difficult anymore," reports Microwave Cooking, Etc. president Harvey Rose, whose franchisees are branching into computers.

# Get the story behind the video game purchase. We did.

It's a Newsweek exclusive. A Study of Purchasers of Home Video Game Hardware—the latest in our ongoing effort to learn who buys your products . . . and why.

A hefty sample of recent purchasers gave us the scoop on their choice of hardware. They revealed what influenced their brand selection. How and where they shopped. What their favorite games are. What they expect from your next-generation software.

And it's a study that poses questions about tomorrow's purchase even as it provides answers about yesterday's. For instance . . . while 83% of respondents praise the entertainment value of their unit, nearly two-thirds would favor hardware that could double as a home computer. Do video games whet consumer appetite for the bigger and better? If so, is there a future in less-than-full computer capability?

This Newsweek report is the kind of in-depth probe you'd expect from a magazine that's never content to simply scratch the surface. And it's a perfect example of how we're striving to help an industry of innovators keep step with a market on the move.

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reported. Even though a dealer will get a sample to review, the feedback from an active end-user may be many times more valuable in predicting a title's sales success or failure.

Look for employees in the group. What better source could there be for potential salespeople for your store? SCAT members, for instance, are individuals from all walks of life: accountants, construction workers, doctors and policemen, to name a few. Noted SCAT president Ray Hendrickson, "All members have at least one common interest. They own a computer." A retailer may need to hire a salesperson with some working knowledge of the computer and can avoid some, if not all, of the product training required.

Spot user group trends and the services offered to members. Many ideas carried out by user groups can be adapted to your own business. SCAT is looking into a rental service for its members as a way to deal with the expense of software. As a store looking to test a rental plan, a user group might be a perfect test market to find out if there is an appeal, if the software takes a beating and if it's profitable. This user group also has set up an electronic bulletin board for sending messages among users and downloading software. A retailer could try that out with his own customer base.

Many of the ideas user groups employ to attract computer owners to their groups fit right in with merchandising plans. A Detroit Atari group with 1,400 members holds software previews on the ceiling of a local planetarium.

## MERCHANDISING COMPUTERS

# Apple hopes credit card will increase home sales

(Continued from page 39)

effect on July 15. Although the revolving charge card is available to any qualified customer who walks into an authorized dealer, Apple hopes to appeal primarily to the home user, whose credit limit on his major bank cards may fall short of what he needs to buy a personal computer.

### Credit while you wait

Here's how it works: All authorized Apple dealers will be eligible to sign up for the program. A customer picks out his computer, and while he waits, the dealer places a call to a central checking office run by GECC.

In a few minutes, the office can call back with a green light for credit for this shopper. If the central computer needs more information, the office will inform the clerk of this and then call one of the major credit bureaus. Or, the third possibility is that the customer can be rejected.

If the shopper is accepted, the order can be written up. The actual credit card will be sent to the indicated address. A customer buying an Apple has to spend at least \$825 on credit (his first purchase only), but put at least \$75 in cash down to show a degree of commitment.

The Apple card is good initially to buy an Apple computer and any brand of peripherals, as long as they're compatible. Subsequent purchases must be Apple-compatible software and Apple-branded hardware.

The dealers will do the actual monitoring of what amount is placed on credit, and will pay a rate competitive to that of bank cards. Consumer financing rates are about 18 to 20 percent right now in most states. The contract on an Apple computer purchase will extend over a 36-month period.

### Customers won't leave store

"From a dealer's point of view, he will be able to avoid the situation where customers must leave the store to find credit. He can recapture lost sales this way," noted Joseph Fenton, manager of marketing and business development for GECC. "This is a purchase that the customer has carefully considered. When he realizes that he

can get an Apple IIe for \$80 or \$90 a month, the sale becomes easier." Fenton expects cardholders will maintain an average balance of between \$1,500 and \$2,500 on the card.

GECC has put together a 30-minute tape for Apple dealers which teaches them how to sell on credit and reviews the routine of opening an account. The credit company has set up a central office in Dublin, CA—not too far from Apple headquarters in Cupertino—to handle financing. Dealers can call the facility toll-free with questions and

any problems that they may have.

Though the program officially started on July 15, Apple processed its first consumer application the day before. "We hope the Apple card will appeal to the home user, including that individual who buys it and uses it for business too," said Chuck Berger, treasurer for Apple. But he also wants the business from those consumers with \$200 machines who thought they were getting "a real home computer the first time around."

### Use as promo tool

No immediate plans exist for value-added services with the card: insurance plans and auto club memberships, for example. The card will, however, be used as a merchandising

tool, with promotional messages included in monthly statements.

To promote the concept, Apple is providing dealers with ad mats to work in with their co-op advertising allowances. "National advertising plans have yet to be decided," Berger said.

A \$150-million limit will be carried on the Apple card at any given point in time, GECC's Fenton added. He noted that if the idea is successful, other credit companies might look to the computer market as well.

"As soon as this industry begins to reach maturity, the program will grow," he predicted. "It will give participating manufacturers the edge that they need to succeed in this market."

—BD

# Why Romox™?

Romox™ has solved the distribution problems that have plagued the entire software sales network. Here's how.

## Great games in all cartridge formats

Last Christmas, Romox introduced the first line of games for all popular home computer cartridge formats. Today we offer 18 titles for the largest installed base of home computers—Atari® 400™/800™/1200™, VIC-20™, Commodore 64™, TI 99/4A™. Innovative educational titles such as **Typo™** and **Whiz Kid™**. And exciting recreational games, like the new hot-selling **Anteater™** and **Topper™**, both featuring humorous, animated action, dramatic color and challenging strategy that appeal to the entire family.

And we're backing our games with an aggressive print, broadcast, in-store and co-op advertising and promotion campaign.

## Programmable ECPC™ cartridges

But there's more to our games than excites the eye. All Romox cartridges are

manufactured in our exclusive patent-pending Edge Connector Programmable Cartridge (ECPC™) format, which allows us to erase and reprogram any cartridge for pennies. So if one of our hot titles cools down, just return it for credit. Buying and selling software is no longer a hit or miss proposition.

It's the first and only 100% guaranteed-return software. And that means no more shelves clogged with slow moving inventory.

## Electronic distribution of software

This Fall, consumers will discover an intriguing secret about their Romox cartridges: they can bring them into any store equipped with a Romox Programming Terminal and have them erased and reprogrammed with any of up to 500 software titles—on the spot, in minutes.

Electronic distribution of software eliminates costs incurred in the traditional manufacture and distribution of software. Inventory is essentially free.



**RECAPTURE LOST SALES.** That's just one goal authorized Apple dealers can expect to achieve with the Apple credit card, notes Joseph Fenton, manager of marketing and business development for General Electric Credit Corp.





AT LEAST \$825 must be spent by approved customers on their first purchase using the Apple credit card. They must also put down \$75 to show a degree of commitment. After that, the card can be used for any Apple-compatible software and Apple-branded hardware.

## Shopper steps forward? Quick! ... Close the sale!

By Anne Krueger, contributing editor

CHICAGO—A salesperson may be able to qualify a computer customer as serious or browsing by his body movement. If during the sales pitch the customer walks a step forward, close the sale. If he takes a step backward, look for another shopper.

That's according to Woody Bensen, president of Peripheral Software Marketing, Inc., who shared some advice with a group of retailers at the recent Consumer Electronics Show. Bensen, a computer retail consultant,

is full of unconventional as well as traditional merchandising ploys and tips. A few other ideas are:

1. Send a postcard to everyone on your customer list that says, "Take this and boot it!" List disk specials on the card and invite customers into your store.

2. Push computers and peripherals like encyclopedias. Ask interested parent customers, "Do you want DUMB children?"

3. Take off your retailer hats and put yourselves in the novice customer's spot. Realize computer sales are *emotional*, and that customers already have crossed several barriers and hurdles just to get into your store.

4. Buy direct mail lists to expand your customer base. Getting the American Express Gold Card list would be wonderful.

5. Since the average computer customer spends more than \$100 a year on peripherals and software, get him back into your store with a free offer on an inexpensive but vital item.

6. After a successful sale, have the happy customer give you the name of two friends who might be interested in computers. Follow up.

7. Bundle service with the sale. Hand out little index cards that give that lucky customer so many opportunities to call "Dr. Apple" or your resident expert when he has a question.

8. Since some computers are getting so cheap, bundle peripherals and computers a la the system approach. Bundle a printer with an inexpensive keyboard like the VIC 20.

9. Set your store apart with your own software. Bensen suggests putting free third-party public domain software on a disk and selling it.

10. Sell computer features, advantages and benefits, but don't forget to sell object. What does the customer want the system for?

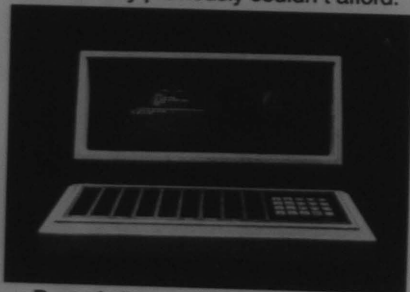
11. Bensen suggests retailers carry: business solutions software set up in an office scenario, personal computer utility software and home entertainment or educational software. Set up self running demos if the amount of hardware outnumbers the number of salespeople.

12. Make customers comfortable but not too comfortable. Hook up computers chest high so customers won't sit around them all day. If you do have chairs, make them uncomfortable.

13. Tie in with community events. For instance, have a Run to your store name promotion if your city has a marathon or running race. Hold "consumer consciousness" seminars to show you care about the community. Run seminars that show consumers what to look for; don't just push your products.

And because the 500 titles reside in the store terminal, telecommunications costs have been eliminated.

Think of the options this opens up: You have an infinite supply of hot titles to satisfy the immediate demands of customers. As soon as a game is designed it can be available immediately for your customers. And while you will still want to stock the best-sellers in their traditional packages, with the terminal your customers can preview new titles or select from an extensive catalog of favorites that they previously couldn't afford.



Best of all, you get all these titles effectively on consignment—you don't pay until after your customers do. Every sale is automatically recorded to give you on-the-spot marketing data and assure royalties to publishers. And our advanced encryption technology assures that publishers and retailers alike will be fully protected.

What's more, since any cartridge can be reprogrammed with a new game—typically \$10 per transaction—customers can afford to buy more games. And since you're selling a recyclable cartridge, your customers will want to come back again and again.

### Blank cartridges

The Romox ECPC cartridge is an innovation as significant as the introduction of the blank cassette. Statistics show that sales of blank video and audio cassettes outnumber pre-recorded 10 to 1. We expect the same thing to happen with our blank cartridges. Your customers will have a choice of recycling old cartridges or buying blanks to build their own library of favorite software—or to offer them as gifts. And this means a whole new business that will bring millions in profits to distributors, reps and retailers alike.

For further information on why Romox should be an important part of your future, contact our sales department for the name of your representative.



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# Appletree 'experts' pitch farmers, bankers, MD's

By Debbie Rosenblum, field editor

DEKALB, IL.—Cultivating "experts" from the sales staff to address specific vertical markets and making outside sales calls have helped Appletree Computer become a \$1.7 million business in less than five years.

Adding to this dealer's success is an aggressive classroom training program, which due to customer demand continues to expand. Without taking these steps to reach a broader market, Appletree Stereo (the older sister operation) would still be able to draw from the business people, professionals, educators and upper middle class consumers who frequent the store. But fear of computers might keep many of these customers from buying.

Appletree Computer consists of a 1,200-sq.-ft. store here and an 800-sq.-ft. section in the 2,800-sq.-ft. Normal, IL. hifi store. Owner Michael Jaret and marketing director Kathi Miller intend to separate the computer operation from the hifi store before the year's end.

By the end of its fiscal year, the DeKalb store is expected to gross \$1.5 million. The Normal unit does about 20 percent of what the DeKalb store does, but with a decor change and a new location, it is expected to boom.

## Actively solicits customers

Since not all Appletree Computer customers can be cultivated from the hifi chain and because so many people are intimidated by a computer store, Miller along with three other staff members make outside sales calls on a regular basis.

Up until a little over a year ago, "we used to wait for people to come to us," Miller recalled. "But all the media coverage on computers the past year or so has made people realize how little they know. They feel almost illiterate and are afraid to come into a computer store. So we have a real big job of teaching them."

Miller along with the three outside salespeople "go directly for vertical markets," she explained. "One man who by trade is a farmer sells only systems to farmers. My vertical market is banks which use personal computers as a department tool."

Another Appletree employee, whose



**A FARMER SELLS FARMERS**, explains Appletree Computer's marketing director Kathi Miller. Using experts to sell vertical markets is helping the store expand its market.

husband is a dentist, does the vertical market for lawyers, doctors and dentists. A fourth sales specialist deals with education clients.

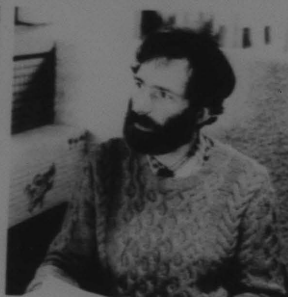
The reason Miller divided responsibilities is because "we all can't be specialists in everything. No one person can know all the software. There's just too much. There are more than 16,000 pieces of software available for Apple alone."

This division of territories has worked out remarkably well for Appletree Computer. "Our outside sales have grown tremendously," Miller reported. "We've gotten at least a couple of hundred sales from our outside efforts."

## Classes build business

Another very effective marketing tool has been Appletree Computer's classes. "They have really mushroomed," Miller noted. "I started off a year ago with four computers and one instructor who conducted a class at this counter."

"Now, I've got a classroom with nine computers, five instructors and this summer I'm running nine sessions geared at particular markets—computers for banks, computers for business, computers for parents. A lot of kids are taking computer classes at



**BRANCHING OUT OF AUDIO**, Appletree Computer has become a \$1.7 million business in less than five years, according to owner Michael Jaret.

school and the parents don't know what's going on. I've also got one on word processing, one on VisiCalc and one on LOGO," she added.

The classes are taught by Miller and five instructors who are certified college graduates in teaching. Each three-hour session generally runs during one day a week for six consecutive weeks; the fee is around \$75.

No more than nine people are enrolled in a class because Miller feels strongly that the best way to learn is "to sit down at the machine and work with it."

Demand prompted her to start the classes. "People expected us to teach them since we have the computers," she recalled. In response, Miller made a full commitment in January and converted the conference room at the DeKalb store into a classroom and created a course schedule.

During the first session which began that month, "every single class was full four nights a week," she reported. "After those six weeks, my waiting list was so long that I stepped up the number to five nights a week and two on Saturday. And I still can't fill the demand."

## Snazzy decor is user-friendly

Also serving to subtly bolster sales is store presentation. Designed by Art Elliot of Bang & Olufsen, the DeKalb unit vividly projects the Appletree image. "This store is extremely well done," Jaret said. "It has a fresh, high-tech look yet it's comfortable, functional and has good traffic flow."

An orange color scheme provides a warm ambience while the floor plan guides people into the store. At the front, software, magazines and books are neatly displayed in three racks.

To the right, five systems sit atop custom-made hickory desks. "The first one is set up for the home. The second one for a small business," Miller pointed out. "Both of those are Apple II's. The third is an Apple III which is mostly used by big businesses. The fourth one is hooked up to a modem and the fifth is our Zenith terminal."

She continued, "This gives people a good idea of what the system will look like on their desk at the office or at home."

Across from the displays is a round table where salespeople often close the sale. Next to that is the sales counter and accessory displays.

A level one service center with fully trained technician on the premises guarantees customers will never be without a computer for more than an hour, Miller pointed out. "If we can't fix theirs within an hour, we give them a loaner."

# Get 'em while they're young: computer camps build sales

classrooms, the commons, the lunchroom and the gym," Miller said. "And the kids were with us every day from 8:30 a.m. to 4:30 p.m."

Children were divided into four groups of 12 by experience rather than age. We split up those who had never seen a computer, those who had taken programming in school and everyone else in between. So I had beginners, intermediates and advanced," Miller said. "If I had divided them by age it wouldn't have worked."

## Used four teachers

On hand for the camp were two instructors, each of whom taught a class, and two activity directors. "The kids rotated. We had two groups at the computers and two groups playing volleyball, soccer, baseball and bombardment," Miller explained.

During the actual classes, children were taught to write programs in BASIC. "The kids didn't come to the camp to play games," Miller said. "They all knew how to do that. In fact, of the 48 kids, 17 already owned computers; their parents wanted them to learn more about programming."

She continued, "The amount they accomplished was amazing. They learned in three days what adults learn in six weeks. It was just phenomenal. The beginners were well into the intermediate level by the end of the week and the intermediate kids were into advanced."

To cover its costs and make a little money, Appletree Computer charged \$110 per child.

The one problem encountered was that most of the kids didn't want to leave the computers. "They didn't care

about volleyball or baseball. Even during the lunch hour, we couldn't get them off the machines," Miller said.

To remedy the situation, she is holding classes only—without the sports—for children this summer at the DeKalb store. "We're going to have sessions 1 p.m. to 4:30 p.m. four consecutive days each week," Miller explained. "One week will be for beginners, one for intermediates, one for advanced and then we're going to have one on LOGO."

For the first computer camp, "I limited the age level to fourth graders and over," she said. "But because there were so many younger kids who wanted to come, I'm dropping that limit to second graders for the summer classes."

Each weekly course will cost \$60. "Before I even advertised I had 14 kids signed up," Miller said. "I'm hoping to get some of the computer camp kids into the intermediate and advanced sessions. I think we will because they just loved it so much." —DR

DEKALB, IL.—Sponsoring a computer camp as a training ground for kids can yield immediate dividends soon after vacation's over. Youngsters may not have the money to buy a personal computer, but armed with a little knowledge, they can close additional sales with their parents footing the bill.

During five days this past April, the two-location Appletree Computer conducted such a camp for 48 children. In the month and a half following, eight systems sales resulted and a whole summer course schedule for kids was created, which, it's hoped, will bring in even more volume.

"Children happen to be a tremendous market," noted marketing director Kathi Miller who ran the camp. "They love learning about computers. Unlike adults, they're not intimidated by them at all."

From April 4 through 8, the children—aged eight to 14 years old—attended the day camp at one of the local junior high schools. "We took over two

## MERCHANDISING COMPUTERS

# Videotex threatens software sales, but dealers have a chance to profit

By Anne Krueger, contributing editor

NEW YORK—Retailers should keep an eye on videotex/teletext technology as it begins to reach TV sets and computer monitors all over the country. This, and other forms of electronic distribution, will bring information, services and even product—such as software—into the home without the consumer ever setting foot in a store.

Whether or not electronic distribution presents a threat to the retail software business is open to debate. Still, the technologies involved are worth looking at to garner an idea of what's to come and to see what companies like Zenith, Quazon, IBM, Panasonic, Sony and others are up to.

And the burgeoning information source business—CompuServe, Dow Jones, Home Management Systems, Inc., NBC Teletext, to name just a few—certainly stands to facilitate retailer sales of modems, decoders and other necessary equipment. In fact, retailers should feel the impact of the huge HIS (Home Information Systems) market within the next 24 to 36 months, if research by Booz Allen & Hamilton is accurate.

That New York research firm recently reported as many as 30 million homes will be wired by the mid-1990s. The company sees the industry evolving in phases with the first phase being competitive cooperative marketing services to home computer owners. After high growth from 1985 through the 1990s and increased product technology, Booz Allen & Hamilton sees a period of consolidation, declining growth rates and price-cutting eventually subsiding into a stable marketplace.

Videotex terminals and decoders shown recently at the CES in Chicago and at Videotex '83 here are already being aimed at the retail sector. Here's a look at what *Merchandising* found.

### Demystify the technology

Radio Shack always seems to be one of the first companies to demystify technology and bring it to the consumer or small business level. The company now offers a TRS-80 videotex information terminal for \$399. Software and telephone interfaces are built into the Videotex Plus terminal which has a 53-key alphanumeric keyboard, and a 16,000-character memory (which can store up to "32 pages" of information for later viewing). The system works in conjunction with TRS-80 models I or III disk systems.



According to a Radio Shack spokesperson, the Videotex Plus is really three modules: a "primary communication program, a specialized program allowing 'store and forward' services and a module that lets the user first create, then edit and save log-on sequences."

A Videotex Plus Communications Software I/III package requires a telephone interface (also available at Radio Shack) and costs \$49.95. Currently these products are available only through Radio Shack retailers, the spokesperson said.

Quazon also is big on designing "user friendly" videotex equipment for home and business. On display at the Consumer Electronics Show and at Videotex '83 was the company's Quik-Link 300, a home device costing less than \$200.

"We're confident this product will position us as the unquestioned leader in low-cost videotex terminal products," president Jim Myers said at CES.

Using the Quik-Link 300 in conjunction with a standard TV and telephone allows purchasers to access news, weather, sports, advertising and directories. Users also can pick up electronic mail or leave messages; conduct transactions such as make airline reservations, shop or bank, and access computer games or financial analysis, according to Jim Lokey, vice president of administration and marketing.

Quik-Link 300 has four function buttons. The first three log the terminal on to several of the national service utilities; the fourth allows access to any other specific service selected by



**FRIEND OR FOE?** Retailers wonder whether electronic distribution presents a threat to their software business—or opens other avenues for profits. A videotex terminal, such as Quazon's Quik-Link 300 (above) can access news and other services. Users can pick up or send electronic mail, make airline reservations, shop, bank, even access computer games, says Jim Lokey, Quazon's vice president of administration and marketing (left).

the user. Terminals automatically dial into the networks and log on to a remote host which can be anything from the user's business computer to one of the nationwide services.

Also "price friendly" is the videotex decoder on the market from Zenith. The firm's decoders, for use with Zenith TV's, are retailing in Cin-

cinnati stores for around \$300. (See related story below.)

Although the U.S. has been slow to get into telecommunications compared to the United Kingdom and other countries, Sony Corp. of America sees it as the next major market.

### U.S. market is ready

"Sony recognizes the rapid transformation of the United States into an electronics marketplace for consumer and business information and transactions," said president Kenji Tamiya at Videotex '83. He added, "We recognize that business and consumers have an increasing need for information and transaction capabilities. We have produced the products to deliver these kinds of capabilities."

To meet these estimated demands, Sony has established two electronics labs in the U.S.: one in Palo Alto, CA, and the other in Paramus, NJ. The company has been selling videotex equipment in the U.K. since 1979.

Sony showed the following products it developed to meet the needs of information providers, system operators, software developers, banks and retailers at the Videotex show. (A schedule for producing consumer-oriented or more affordable products was not available at press time):

- A high-resolution analog/digital display, ranging from eight in. to 46 in., was shown for use with videotex, teletext, computer and videodisc equipment.

- A NABTS (North American

## Taft, Zenith use retailers to introduce teletext to Ohio

By Irene Clepper, contributing editor

CINCINNATI—This is the first city in the U.S. where it's possible to read a newspaper on a home TV screen. Cincinnati retailers who carry Zenith TV's and decoders—Shillito-Rikes, Swallen's, Graffs, Wrights, Ashbrooks, Angerts and others—are tuning in to the new technology and hoping to cash in on the phenomenon.

It's Taft Broadcasting Co.'s 100-page electronic newspaper, *Electra*, that's causing all the excitement. *Electra* will be available to anyone owning a Zenith TV set manufactured after November 1981. (These sets have a "redi-plug" connection for the decoder equipment.) A Zenith decoder, which is priced at \$325 including installation, is the only other equipment involved.

*Electra* is the result of a Taft/Zenith agreement, inked about six months ago. The venture is the first U.S. teletext agreement between a television set manufacturer and a broadcaster. Under the terms of the agreement, Zenith will produce teletext receiving equipment, based on the British standard, to meet market demand in the Cincinnati area.

According to Robert Hansen, senior vice president and group executive of Zenith Radio Corp., Chicago, Zenith is involved because the company likes being a pioneer.

"We've been involved with teletext, the development of FM stereo, wireless remote control for TV, Chromacolor and the first pay TV system," he pointed out. With *Electra* announced in mid-June, Hansen ex-



TODAY'S TOP STORY can be accessed on a Zenith TV with a \$325 teletext decoder. The service, now available in Cincinnati, is published by Taft Broadcasting.

## The word is videotex, but what is it?

NEW YORK—The word is out that videotex and teletext hold great technological promise for the future; emphasis on future. But many lay people currently view the twin services with a certain amount of confusion. Like Mutt and Jeff or Tweedle Dee and Tweedle Dum, it's sometimes hard to tell one from the other or to know which does what. *Merchandising* will try to set the record straight.

**Videotex:** Simply stated, videotex is a generic term for systems that transmit text. Videotex (with a "t") is a form of videotex which allows users to send and receive information to and from a remote computer—the

computer can be a relative's system, your company's system or the connection to an information service. Regardless, the users' way of communicating usually is through a terminal keyboard attached to a standard TV or sometimes through cable. Special monitors can be used, and consumers must "subscribe" to a service in order to access it.

**Teletext:** Another form of videotex, this is the one-way broadcast of information to the user from a remote source. Teletext doesn't require a special keyboard, just a modem. Teletext can be interactive but not transactional.

—A.K.

## MERCHANDISING COMPUTERS

Broadcasting Teletext Syntax) teletext decoder, which features a ghost canceller, split screen, multi-page memory and an audiocassette interface, was on display. This decodes teletext broadcasts by CBS and NBC and will be available in early 1984.

- Sony NAPLPS (North American Presentation Level Protocol Syntax) videotex decoder is designed to be used as a color graphic terminal and as a video/videotex interactive display unit with appropriate videodisc and videotex databases. It will be available in '84.

- Also shown was a compact U.S. version of a Prestel-type videotex terminal. (Prestel is a U.S. videotex setup.) This terminal includes display, keypad, silent black-and-white printer and an editing keyboard. It will be available this fall.

### Breaks price barrier

TEX, a videotex decoder from Telelogic, has broken the price barrier. The \$100 device eliminates the costly need for a keyboard or a telephone interface, its makers said. TEX uses the 10 numeric and two control keys on the telephone pushbutton keypad. Code numbers are then entered and information can be selected. TEX couples magnetically to the phone; a traditional hardware jack isn't required.

The device can receive incoming frequency-shift-keyed signals at 1,200 bits per second and needs to be hooked up to a television monitor. Telelogic

and Arthur D. Little, Inc.—the market research firm—are joint creators of TEX and plan to market it to institutions first for services such as home banking, direct selling, financial information and travel reservations. The TEX line eventually will include an optional alphanumeric keyboard for more sophisticated interactions and several software interfaces for driving personal computers and printers.

Panasonic is offering a professional decoder in the \$1,500 to \$2,000 range before it gets into consumer products. At Videotex '83 the company showed a prototype decoder which actually was a remote-controlled unit with a 21-button wireless keypad. The system can also accept a printer, keyboard and RGB monitor.

A prototype teletext decoder was also introduced at Videotex '83 by Panasonic. A spokesperson said the prototype was designed "to hasten the development of tomorrow's consumer-oriented electronic information services." Again, the system is remote controlled and also is compact and designed to be user friendly. The unit is scheduled to enter production during 1984.

### American Bell enters race

American Bell Consumer Products, a subsidiary of American Telephone & Telegraph Co., recently introduced its Sceptre videotex terminal. It consists of a wireless keypad and a control unit. The keypad features a full range of alphanumeric command and function

keys. American Bell prides itself on the fact that the Sceptre can convert any color TV and telephone with modular wiring into a videotex system quickly and easily. The systems are manufactured by Western Electric. A 1,200 BAUD 212A modem is built into the Sceptre.

The system will go on sale this fall in Florida in conjunction with the launch of Viewtron, a commercial videotex service cosponsored by AT&T and Knight-Ridder Newspapers.

Other manufacturers are expected to jump on the bandwagon soon, among them IBM, Toshiba and GE. GE is rumored to be working on offering color TV sets with built-in decoders, as is Zenith.

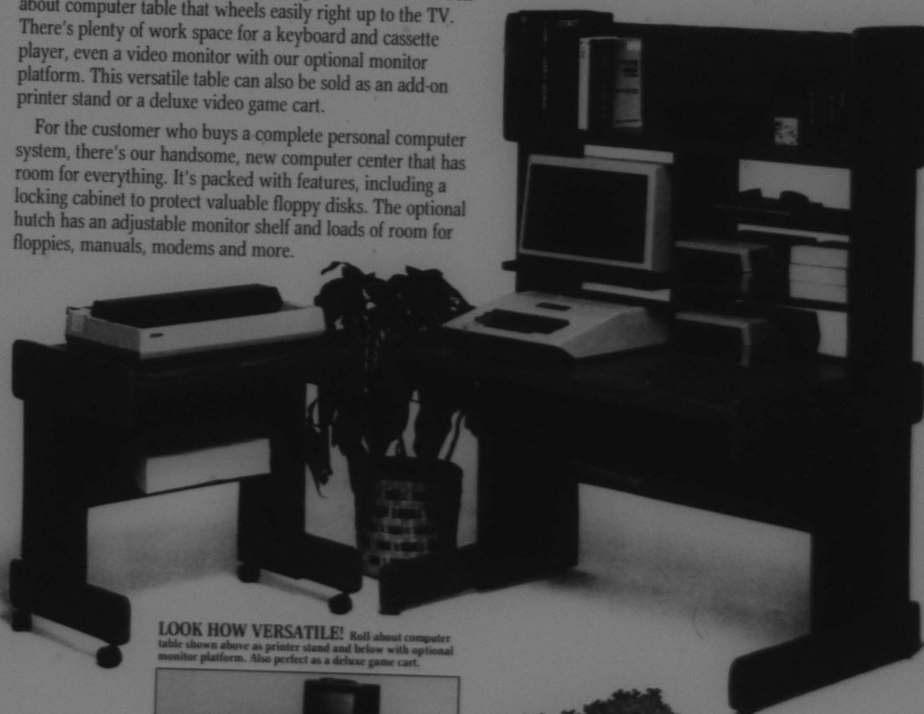
## PLANT A BUSH UNDER YOUR COMPUTERS AND WATCH THE PROFITS GROW.

No matter what kind of computers you sell, our brand-new line of modular computer furniture is the easiest way to make your profits grow. Because Bush offers you more options, more flexibility, more good ideas than anyone else.

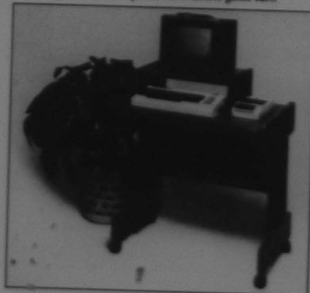
Make sure you're reaping all the profits Bush can grow. Ask your Bush rep for more details.

For example, a home computer is right at home on our roll-about computer table that wheels easily right up to the TV. There's plenty of work space for a keyboard and cassette player, even a video monitor with our optional monitor platform. This versatile table can also be sold as an add-on printer stand or a deluxe video game cart.

For the customer who buys a complete personal computer system, there's our handsome, new computer center that has room for everything. It's packed with features, including a locking cabinet to protect valuable floppy disks. The optional hutch has an adjustable monitor shelf and loads of room for floppies, manuals, modems and more.



LOOK HOW VERSATILE! Roll about computer table shown above as printer stand and below with optional monitor platform. Also perfect as a deluxe game cart.



Bush Industries, Inc.

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pects 30,000 TV sets in Cincinnati to be capable of taking decoders by year-end.

It probably will be five years before the number of TV's and decoders makes Electra profitable from Taft Broadcasting's point of view, but Dudley Taft, president, said that doesn't bother him. "Electra is a valuable promotion tool for us. With the launching of teletext as a commercial broadcast service, we can preempt the competition for the home information marketplace (from cable and publishing interests)."

### Retailers are interested

After the Electra was announced to the public, a Zenith mobile van visited retailers and a popular amusement park to spread the word. The first visit was to Swallen's Wooster Pike headquarters. Claude Merrill, manager of the department in charge of the Zenith decoders, indicated carrying the product was essential to keeping the store up-to-date, although it probably wouldn't be a high-profit item. "It will bring in traffic and keep our image polished," he told *Merchandising*.

Cost-free demos and decoders placed in retailing outfits by Zenith are designed to help in the consumer education effort. "It is a matter of education," agreed Swallen's TV buyer Larry Muenchen. "Consumers have to play with the decoders to see how nice it would be to have a newspaper that provides the latest news and sports scores, as well as an interacting page for kids. They try to figure out a puzzle and can call up the answers."

One of Muenchen's first customers was a consumer whose son is hard of hearing. "I hadn't thought of that usage," Muenchen admitted. "We've had a lot of people going through the Zenith van and calling in. They like the

(Continued on page 50)



## MERCHANDISING COMPUTERS

# Dealers' software mix will shift away from games

By Lee Rath, editor

CHICAGO—Retailers who carry third-party software are going to find their merchandise mix changing in the months ahead.

Driven in part by the new generation of high-powered personal computers and low-cost peripherals, publishers are starting to offer more software in home management and education. This, many believe, is where the growth will be as the computer becomes less of a plaything and more of a tool for modern living.

While the game is king—and will remain so for some time—the bulk of the dollar sales will be done in a few hits.

As a result, most of a dealer's shelf space may soon be taken up by non-game titles as third-party publishers pare their game offerings down to 35 percent or less of their total line.

### Non-games growing

Although game titles currently account for more than 50 percent of its business, the distributor SKU finds educational and home management software to be the fastest-growing categories, according to Robert Brownell, general manager and senior vice president.

Pat Ketchum, president and chief executive officer of Datasoft, Inc., said

that while games now hold 60 percent of the total market, educational titles 25 percent and home management 15 percent, he sees those portions shifting in the years ahead. "I would like to see the market made up of 40 percent games, 35 percent education and 25 percent home management," he said.

Ken Coach, director of marketing, Softsync, Inc., predicted that non-game software will catch on as powerful hardware becomes the norm rather than the exception in the home. "Anything with less than 48K of memory is basically a game machine," he said. "But as you get above that level you can start getting some real

benefits from the computer."

As prices fall and more powerful machines find their way into the home, "we find ourselves making more serious software for more serious machines," Coach commented.

While some computer owners now buy non-game software primarily out of guilt, that should change as the market matures, noted Hank Scheinberg, executive vice president and director of marketing, Continental Software. "Once people find they can use their computer to save money and make money, they'll be hooked," he said. "There's a lot of room to provide people with benefits. And the process of discovering this type of software is speeding up."

Trip Hawkins, president of Electronic Arts, sees a "blurring of distinctions" ahead. "The future of the industry lies not in games or educational or home management titles," he said, "but in software that combines the best features of all three. People want lasting value in a product, and that's what this combination software will be able to offer."

"Edutainment" was the word coined by Clive Smith, senior analyst, The Yankee Group, to describe what he predicted would be "the big thing" in software in the years ahead. "It will educate," he said. "But it will have to be entertaining so that it will be repeatable, so people will use it over and over."

In the meantime, games are king. And most third-party manufacturers

## Publishers warn software prices may fall ...

(Continued from page 39)

prices have to fall note that hardware price points have dropped to the level where some of the software looks absurd by comparison. "How can you have a \$140 word processing package for the VIC 20?" asked Sandy Ruby, president of Computer Software Associates. "Consumer resistance is building. If records cost \$200, that industry would never be where it is today."

Robert Brownell, general manager and senior vice president of SKU, agreed. "Now that computers cost \$89, the retail price has to drop," he said. "Dealers will make up for it in volume, though. Software and ac-

cessories will continue to be profit centers."

Prices will hold through Christmas, although after that they should come down 20 percent, commented James Schuyler, president and chairman of Designware, Inc.

But Elliott Dahan, director of marketing, Creative Software, said "they will be down by Christmas," and proceeded to cut prices on many of his company's Commodore 64 and VIC 20 cartridges.

Among the manufacturers urging that prices should not be reduced is Michael Vierzba, director of marketing, Roklan Corp. "It would be foolish to cut them," he maintained.

"The consumer is still getting a value. He can't complain."

"At some point, prices will drop. Efficiencies of scale will bring them down," Vierzba added. "I just hope when it happens it's not bloody."

Finally, some of the vendors declare that prices simply cannot decline. "Third-party manufacturers are already at the bone," said Ken Coach, director of marketing for Softsync, Inc. "We make only a modest profit now, and front-end costs are picking up."

"Retailers don't want prices to fall," he added. "They're already being hurt in hardware. In software, they want some stability."

—LR

## ... urge dealers to try selling to schools ...

NEW YORK—Should computer software dealers count on selling educational titles directly to local schools? There are pros and cons.

On the plus side, Sherwin Stephen, chairman of the board and director of research and development for EduWare, points out that dealers can be important suppliers to schools. In fact, he said, 30 percent of the software he sells to retailers ends up in the hands of educators.

One reason retailers can play an im-

portant role here today is that much of the software purchasing is being done by the individual teacher. Purchasing agents are not involved, simply because they don't know enough about computers to make an informed purchase.

For the same reason, parents are also playing an important role in deciding what sort of computers and software their school systems use. "In many cases, they know more than the educators," Stephen pointed out.

"This is one reason the PTA has experienced a resurgence."

At this point, most software for use in schools is not being bought to truly teach with, he added. It's being bought by teachers who use it as a tool for learning how to run the computers themselves.

But in the future, when the teachers are comfortable with the product and the average school may have 30 to 100 personal computers, educators are going to be more selective about the soft-

ware they buy, and they are going to be buying it in quantity.

On the other hand, James Schuyler, president and chairman of Designware, warns "schools are not necessarily a large market. In the first place, most have no money."

In addition, once a deal is made, the collection process can be a long one when school districts are involved, he said. "That market really needs a direct sales force to handle it."

Instead, Schuyler believes, the real market for educational software will be the home—at least for the next few years.

—LR

## ... expect to see retail competition heat up

CHICAGO—Consumers are waking up to the fact that they no longer have to go to a computer specialty store to buy their software. As more people buy and feel comfortable using computers, they are going on to an increasing variety of retail outlets for their programming.

This year, third-party software publishers told Merchandising there is a rapid swing of large sums from dealers into the market. But at the same time, department stores, video stores, book stores, photo processing shops, record stores, audio dealers and others are all getting involved, as well.

Some are going direct to the publishers for their software. Most, however, are choosing to enter the market through the dealers, either on the street or in the local level. Book stores, in fact, are beginning to gain strength, particularly among dealers not getting their feet wet in the booming market.

For, as Lee Ingo, an analyst with Prime Weber Mitchell Henders, commented at the CES overview conference this summer: "We are entering a new period where the software dollars spent by consumers will dominate the industry."

### Mass marketers join in

"This year, software is being sold by every store that's selling hardware, and more," commented Michael Henders, marketing manager of New Ware. "Because we expect consumers' mass marketers have become our main focus."

Henders cited Huggins, Toys R Us, The World and I, and Federal Express as examples of typical big-name outlets. "However," he noted, "we're also in business. We're having conversations with Wal-Mart. And the idea of going to the store and getting a computer is becoming a reality."

Robert Brownell, general manager and senior vice president of SKU,

distributor SKU, said that while computer specialty stores account for 15 to 20 percent of his company's business, other types of outlets are placing larger orders than ever. "Record stores are coming on the scene. They're used to the high volume, and they have a lot of traffic," he said.

Audio-video stores were also cited by Henders as doing well in the market. Department stores, he believed, are a little ahead of the game. "I don't think a major move is imminent."

As for the publisher believes that the market has been moving all too fast to the very good. William Brownell, president of Designware, said that the market is "moving very fast" and that "the market is becoming very hot."

He also noted that many software publishers are beginning to see a shift in the market, with more

and that consumers are not yet ready to buy their software off the shelf with little or no sales help.

"For someone like K mart to get involved, there should be an installed base of 10 to 15 million home computers," said Brownell. "And we won't be at that point until Christmas of '90."

Brownell later explained that one of his main fears is that some merchants, when they get involved with software, will get burned and will turn their backs on software in a year or so when the industry is truly ready.

"Many merchants who are entering the market this year should look at 1985 as a learning experience," he stressed. "They're not experienced. They're not a real hot, and they're not getting it."

By next year, more people will buy software from merchants. The market is bound to grow," he said.

More and more retailers are choosing to get their software through dealers, rather than going direct to the publishers. "We're seeing a lot of dealers who are not getting their feet wet in the booming market," he said.

expect them to remain so, at least for the immediate future.

Michael Humphress, marketing manager, HesWare, said that although games now make up only 30 percent of his company's titles, he plans to increase that to 50 percent by the end of the year. Even so, he does not expect that they will rule the market over the long term.

Humphress' reasoning is that the rush of consumers into the computer market this fall will produce a new generation of owners hungry for games. Their playful passions, however, will last only six to nine months before they, like those who have gone before them, start seeking more serious titles.

One important factor in opening the computer market to non-game software is the price of peripherals, including printers, storage media and telephone modems. "We're in a transition market right now," commented Jon Loveless, vice president of marketing, Synapse, which is now branching into applications software. "Low cost printers are opening new avenues of growth."

And as more consumers turn to disk drives as the primary storage medium for their computers, software can take them places where they've never gone before, said Electronic Arts' Hawkins. "There are a half million in use right now," he said. "That figure should increase to at least four million next year."

Datasoft's Ketchum said he's heard of a company working on a disk drive that could be retailed for \$100. "That would really open the market," he said. Datasoft is double-packing a disk and a cassette together for one price under its new line of Gentry software. Scott Llewellyn, director of marketing and sales, pointed out that this not only cuts down on sku's for the retailer, but gives customers the chance to trade up from a cassette to a disk drive as a storage medium without having to buy all new software.

Looking even further ahead, Gary Kaplan, president of Emerald Valley Publishing, said the videodisc, infrared technology and even fiber optics could play an important role in the storage media of the future. "There's new technology on the horizon," he said, "and it will drive the market."



**PRICES MUST NOT FALL,** declares Michael Vierzba, director of marketing, Roklan Corp. Software customers are still getting a deal they cannot complain about.



**GAMES WILL PEAK** in the months ahead, asserts Michael Humphress, marketing manager, HesWare. But computer owners will soon begin seeking more serious software.



**GROWING THE FASTEST** are educational and home management categories, notes Robert Brownell, general manager and senior vice president of the distributor SKU.

## IN THE CHIPS

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Play a game and learn. Learn while playing a game. PIPES™ and IN THE CHIPS™ bring the worlds of games and concept home education together. PIPES™ will teach children between the ages of 6 and 15 the concepts of spatial relationships and economics. IN THE CHIPS™ will teach young adults between the ages of 12 and 18 all about business.



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## MERCHANDISING COMPUTERS

# Software vendors plan fourth-quarter ad push

By Lee Rath, editor

CHICAGO—Computer software retailers can enter the fourth quarter confident that they are going to be getting a lot of support from the publisher's side of the fence.

Although it may be a little early to expect full-scale network TV campaigns, third-party manufacturers are beefing up their consumer advertising and offering dealers plenty of incentives and in-store devices aimed to keep the customers satisfied.

And most are planning to expand their efforts further as the industry grows and the installed base of personal computers expands.

This fall, much of the consumer advertising will concentrate on the buff books. Some vendors, however, are taking their first tentative steps in other directions.

"We're aiming at the parents," said William Bowman, chairman of Spinnaker Software, which makes educational titles for children. "Ads will ap-

pear in Better Homes & Gardens and Good Housekeeping. We are trying to present a high-quality image."

Roklan Corp. will be spending about 30 percent of its ad dollars in general interest magazines this fall, according to director of marketing Michael Vierzba.

One of the more ambitious campaigns is being launched by Elliot Dahan, director of marketing for Creative Software, who expects to spend \$4 million on his first TV campaign this fall. "We will run 30-second spots, making regional buys of national TV shows and using MTV and other cable stations," he said. "We feel that we have a large enough share of the installed base to be effective."

Not everyone in the software industry, however, is sold on consumer advertising. "I think its importance is overstated," said Ken Grant, executive vice president of finance and operations for Synapse Software. "Look where advertising got titles like

ET and Journey Escape."

"Word of mouth is what sells. You have to tie into the underground," he added.

To reach its underground, Synapse has formed what it calls the Elite Club. Members, whose names are culled from warranty cards and other sources, are sent information on new releases and other information about Synapse.

### P-o-p available

Many manufacturers regard point-of-purchase materials as crucial to educating the consumer about the uses and benefits of computer software—their in particular—and several are taking very creative approaches.

HesWare, for one, is publishing a directory of computer camps. "It's free to retailers, but it has a \$2 price printed on the cover, so they can either sell it or give it to customers who will think they're getting a bargain," said marketing manager Michael Humphress. The directory will be updated in January.

Several of the publishers are steering away from racks and other p-o-p displays that have been important in the past. "There's just too much of it



**TAKING PACKAGES** one step further is Electronic Arts. The software is packed in record album-style jackets which, president Trip Hawkins notes, are still usable after consumers get home.

today," explained James Schuyler, president and chairman of Designware, Inc. "We're concentrating instead on financial incentives." Designware will also be holding promotions in a number of stores, using educators and child celebrities.

One way publishers can get their message across is through packaging. Although Broderbund Software chairman and director of product development Gary Carlston recently pointed out, "Some companies are still slipping the product in a baggie with a typewritten label," those days are all but gone. By now, most companies are concentrating on color graphics and a full description of the software printed on a sturdy box that can stand up to the rigors of retailing and beyond.

Taking the package one step further is Electronic Arts with its record-album-style cover and graphics. "We think this makes more sense than the box for retailers in the long run," said Trip Hawkins, president. "It attracts attention without using the science fiction art, which can be misleading. And for the consumer, it's still usable after he gets it home."

## Taft/Zenith launch teletext in Ohio

(Continued from page 47)

idea and that they can make one purchase—the decoder—and have the newspaper, instead of paying \$25 to \$30 a month in subscription fees. It's not a bad investment."

The education process instituted by Taft and Zenith in Cincinnati will continue through the fall. Consumers are shown how the access pad works—they tap out three digits on a control resembling a switching channel device—as well as how to get additional service. Touching a button makes Electra news bulletins flash across the screen during the regular programming. "All of this without any charge, once the consumer has purchased a decoder," explained Richard Boyce, vice president, general sales manager for Tracey-Wels Co., a Zenith distributor in Columbus, OH.

Still, Boyce admits, "People aren't used to reading TV. We plan to have sets and decoders at Kroger's (supermarkets) and at banks, so people can observe first-hand what the service is."

The next technological step, Zenith's Hansen pointed out, is incorporating a decoder in the TV set.

# Hardware makers aim for software biz too

(Continued from page 39)

puter reach that level, software for those machines will be readied sometime next year.

Simon added that Atari Software Publishing will only release products with proven hit potential. "If we know a title's done well on our own hardware lines, we might pick it up for other computers in the market. Right now, software publishers are releasing anything," but as more established arcade games hit the market, this practice will change.

Atari Software will also publish education and home management/personal development titles beginning early next year. Simon estimated that the firm's 1984 lineup for other computers will be 60 percent games, 25 percent education and 15 percent home management/personal development.

Software from other third-party publishers will be distributed by the division, but it will be packaged under the Atari label. "Our packaging will have its own identity separate from Atari-system titles," he reminded.

### Mattel readies three titles

Making a similar effort in publishing for other computers is Mattel Electronics. At present, the company plans to produce for Apple and IBM computers.

"Before we commit ourselves to other systems, we have to look at three things: the installed base of each computer, the number of units in each home and the requirement that the machine be fairly recent, so that it won't be obsolete in six months," said Mike Doepeke, director of marketing for software.

Of the first three titles—Burger-Time, Lock 'N Chase and Night Stalker—two are arcade hits. "But we're not restricting ourselves to arcade," Doepeke continued, saying that other software areas could also be pursued by Mattel.

The first titles will be on retail shelves sometime this fall. Mattel will, at that time, start dealing with computer specialty stores because of its involvement with Apple and IBM.

Mass merchandisers will also be targeted on an individual basis. "We are being very cautious about pushing the mass merchant into this software. With some stores it's too early to carry it. I'm not sure that the IBM owner comes into a discounter looking for software yet. We don't want it to fall flat on its face," the marketing director explained.

Promotional and stock compensation plans for the titles were not introduced at press time.

A third hardware company, N.A.P.'s Odyssey brand, also will make a bid as a third-party publisher. The Pink Panther, scheduled for release shortly, will fit Odyssey, and also the Atari and ColecoVision game systems. The company is considering publishing software for computer systems as well.

### Software is profit center

Two other large computer manufacturers, Commodore and Texas Instruments, are also realigning their software strategies, but neither have plans right now to market software for competitors' systems.

"Doing so is a possibility, but we have to address our own software needs for the VIC 20 and 64 markets first. Then we'll look at other computers. But which systems will be around next year? That's also a consideration," pointed out Mike Tomczyk, marketing director, Commodore Software.

Commodore Business Machines set up the software company five months ago as a separate profit center. In those five months, 70 titles have been readied for release this year. Involved in all software areas, Commodore has dropped the price of all of its titles to under \$100. "With the software company, we hope to capture the bulk of the Commodore market," he added.

The company will be drawing attention to itself by acquiring arrangements with third-party software vendors to market under the Commodore software label. Arcade titles from Bally/Midway and adventure games from Infocom will be some of the first programs to be shown at the

Winter CES. Tomczyk admitted that the royalties to publishers aren't as high as other vendors offer, "but look at the installed base and distribution publishers get."

The company will focus much of its effort around what Tomczyk termed "nucleus" software: its EasyFamily series and its Magic Desk filing programs are examples. The same sales force that handles Commodore computers will take care of all software business.

TI's software strategies are in the process of being altered, but becoming a third-party publisher is not a consideration, a spokesperson told Merchandising.

The company has said that its GROM cartridges will be the only ones able to run on new 99/4A machines, which could force software publishers to license their titles to TI, to be marketed under the TI label. However, Atari, for one, will be challenging that measure by producing unlicensed software for the machine this year.

The TI spokesperson said that the company is aggressively looking for popular titles from third-party firms. Imagic, Spinnaker and Broderbund have all signed to produce certain titles under the TI label.

### Will prices hold?

With the potential impact that hardware makers could have on software, price levels and margins are not likely to remain as high at retail as they were in 1982.

Atari and Mattel both declined to state any price structures, but both said they would remain "competitive." Commodore, however, is undercutting other comparable home management titles by listing its own for under \$100.

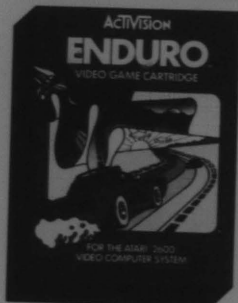
A handful of third-party vendors are already marketing promotionally priced lines designed to command a share of the mass merchandisers' shelf space. Even so, the major hardware makers still believe they can become a major factor in software.

Stressed Mattel's Doepeke, "Most dealers will also have confidence from past relationships that we can work together in software."



“

**ENDURO (★★★★★★★★)** is an extremely impressive auto racing game. It's one of those rare games that elicited comments from our staff like "Wow — this is incredible!" You have to remind yourself that you're playing this game on an Atari 2600, not on one of the more "advanced" systems! We feel so strongly about ENDURO that we're reviewing the game an issue earlier than we normally would because there will be other auto racing games available soon, and we want our readers to be aware of this one before making buying decisions. ENDURO allows you to drive your race car from a normal perspective. The car YOU control is in the foreground on your screen, while the road stretches out in front of it, diminishing to a point at the horizon, so that you have a feeling of depth and distance. Control of your car is achieved with left and right movement of the joystick, and the firing button becomes an accelerator—shifting is automatic. Your racer can be slowed down by releasing the firing button or by applying the brakes (pulling the joystick toward you). The object is to pass a specified number of cars each day while covering as many miles as possible. The bottom of your screen displays mileage on an odometer, the number of the current day, plus a descending counter which keeps track of the number of cars remaining to be passed. (You begin the race at dawn on the first day with 200 cars to pass.) You start the race confidently as your head fills with the roar of your engine, but your pulse suddenly quickens as you narrowly miss a car on a tight curve. Now on a straightaway, you accelerate and gleefully pass another dozen cars, but the road curves again and you rear-end one of the racers. The counter at the bottom of the screen starts *adding* cars as several racers streak by. You recover from the collision (they are never fatal in this game), increasing your speed and concentration in equal measure. Once again at full throttle,



the dry road suddenly becomes a giant snow field! You can hear the hushed sound of tires cutting through the blanket of white, and your racer becomes less responsive—slow down! Soon enough, you're back on dry roads as the sun begins to set, gradually spreading an orange glow above the horizon. Night falls, and cars are visible only as red tail lights. Just when you think you're doing well, you drive into a fog bank which cuts your visibility drastically. The fog lifts, and soon you hear a series of warning tones because it's nearly dawn. If you pass that 200th car before morning, green flags wave and you continue to race through the second day and night, with a new goal of 300 cars to pass! We found ENDURO to have that marvelously addictive quality that makes you play "just one more time" because you're sure you can pass a few more cars the next time... While auto racing as a video game theme is not new, ENDURO is far superior to existing race games for the 2600 because it makes you part of the action, not just a detached observer/manipulator. Graphics are excellent, from the tread on the tires to the glorious blaze of sunset sky...

”

**VIDEO GAME UPDATE.**

# HIT!

**The road with Enduro.**  
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## NEWSLINES COM- PUTERS

**NEW YORK**—Computer hardware and software advertisers boosted their TV ad expenditures 230 percent in the first quarter of 1983 over the same period a year ago. Videogame television advertisers for both systems and cartridges grew even faster, raising their TV spending by 313 percent, according to the Television Bureau of Advertising. These figures make computer and videogame makers the fastest growing group of TV advertisers so far this year. Leading the ad list was IBM, up 319 percent to almost \$9 million, followed by Texas Instruments, jumping 505 percent to \$7.5 million, and Commodore, climbing 517 percent to about \$6.25 million.

Seven of the top videogame companies listed used no TV advertising in the first quarter of 1982. Those who did include Warner Communications for Atari, up 98 percent this year to almost \$14.5 million; Mattel for Intellivision, up 255 percent to just about \$10.7 million, and Activision, jumping 185 percent to nearly \$5.6 million.

**SOLANA BEACH, CA**—Kaypro Corp. plans to go public. The company has filed a registration statement with the Securities and Exchange Commission for its initial public offering of common stock. The company, which changed its official name from Non-Linear Systems to the name of its computer product line in late June, plans to offer five million shares of common stock to be sold in the near future. Kaypro entered the computer field in June 1982 with its first portable computer aimed at the business market. The company also supplies testing equipment to the aerospace industry. The original name, Non-Linear Systems, will become a division of the parent company.

**MANAGEMENT MOVES**—The latest hardware manufacturer to change its top management is Texas Instruments (TI). Jerry Junkins, TI executive vice president, is now acting president of the consumer electronics group, following the resignation of William Turner... Atari has named James Morgan as chairman and CEO, replacing Raymond Kassar. Morgan was previously executive vice president of marketing at Philip Morris...William Mack Morris has replaced Joshua Denham as president of Mattel Electronics. Terrence Valeski has been named senior vice president of marketing and sales...Jon Shirley has left Radio Shack to join Microsoft as its president and COO...Marvin Posner has been tapped by Coleco Industries for the new post of vice president of sales...Scott Llewellyn has been promoted to vice president of marketing for Datasoft. John Garcia has been named vice president of software...Gregory Dicoteau has been appointed customer support manager for Enter Computer...William Compton has joined Bush Industries as western regional sales manager.



Coleco taps Posner  
as vice president of sales

**NEW YORK**—If you need to reduce the amount of time a salesman spends with each customer, the New York Computer Center may be able to help. That's according to developer Barry Segall of the Atlantic Coastal Development Corp. (ACD). The computer market center, expected to house most of the industry's major vendors and suppliers, will open here in early 1984. Located a block from the New York Convention Center, the market will be open to show visitors and street customers alike. "But we're not turning the place into one enormous discount electronics outlet. There will be no cash-and-carry business done there," Segall continued. Any potential customers will be referred by exhibitors to the proper distribution channels for the product. This will include the dealer nearest that customer. "Potential buyers can get their questions answered at the computer center. If it's true that a person will go to a store as many as seven times before buying, it's also true that this amount of time is spent answering many questions. Retailers are looking to cut the time length spent with customers because of the declining margins in computers," the developer explained.

The New York market will give its tenants access to the many vertical markets that hold shows, meetings and seminars each year. Since October 1982, 58 such events have been hosted by the city. ACD is also launching a sister project in Miami. It is scheduled to open next month. The Miami center, however, will house computer specialty dealers, each emphasizing only one particular product brand.

**NEWS BITS**—Fox Video Games has cut M\*A\*S\*H's \$29.95 suggested retail in half to \$14.95. The new pricing has been set up in response to "a serious glut in the Atari 2600 cartridge segment," noted Frank O'Connell, president and COO. Most \$15 games are usually two- to three-year-old releases whose popularity has waned, he added. "This is the first time a major licensed game has been so aggressively priced, and will result in a positive effect on the market."...The name's Moore. Roger Moore. The film star, known for his portrayal of James Bond, will be spokesperson for Spectravideo Inc. in national TV and radio and print advertising, plus point-of-purchase display programs. Moore will begin appearing next month...The third title in the Donkey Kong series, Mario Brothers, has been exclusively licensed by Atari from maker Nintendo for videogame and home computer lines. Donkey Kong Jr. for Atari home computers will be out this fall; Mario Brothers will be ready in early 1984...Imagic has changed the names of three games. Laser Gates was formerly Tarantula, Quick Step had been Hop To It and Wing War was once known as Flap...Following Fujitsu's U.S. entry into floppy disks, the Magnetic Tape Div. is now called the Magnetic Products Div.



Film star Roger Moore  
speaks for Spectravideo

**STAMFORD, CT**—Dealers selling small business and personal computers around the country will soon be able to join a local chapter of the National Association of Computer Stores (NACS). The non-profit group, with national headquarters here, is forming chapters because retail membership in NACS has doubled in the past year. Retailers qualify as members, and vendors and suppliers can join as associate members. More information about the association is available by calling 203/323-3143.

**CHICAGO**—Database inquiry will become the basic reason to buy a computer by early 1984, according to analyst Clive Smith, the Yankee Group. Smith told a Consumer Electronics Show retailing crowd to expect professional computers to be sold in the same stores next to home computers. New customers will show more interest in the amount of memory needed to do what they want to do and will seek low-cost peripherals, upgrading compatibility and package system sales. According to Yankee Group statistics, 15,000 retail outlets carried an average of four running feet of computers in 1982. In 1983, Smith expects to see 30,000 retailers displaying more sku's in about 25 ft. on a wall position.

## MERCHANDISING COMPUTERS

### Sharp portable unit has flip-up screen

PARAMUS, NJ—The LCD panel on Sharp's PC-5000 portable computer flips up for use, and folds flat again over the keyboard when desired. In the upright position, it displays eight lines by 80 characters, with a display capacity of 640 by 80 dots (over 51,000 pixels) with bit-mapped graphic capability.

Other features of the 11-lb. unit include 128K RAM expandable to 256K and an additional 128K of bubble-memory storage. The PC-5000 will also accept 128K ROM in cartridge applications using the MS-DOS operating system and GW-BASIC resident in ROM.

An optional printer can be inserted into the back of the unit. The high density dot-matrix thermal impact printer has a capacity of 80 characters per line, 12 per inch and 37 per second. An optional 10-key modem/auto dialer plugs into phone lines with a standard Bell jack. A loudspeaker on the face of the unit permits two-way conference calling. The dialer has 10-number memory, with no

limit when a software communications package is used. It allows up to 16 digits per number and has both a ringer and receiver.

Optional disk drives are available using double sided/double density disks, each providing 320K of storage. Where required, a three-octave sound capability is standard with the PC-5000.

A cassette interface permits read and write to and from standard cassettes.

Initial software will include word processing, communications, spreadsheets, an executive planner and database manager. The computer can also use MS/DOS software.



Sharp PC-5000 portable

Sharp Electronics Corp., Systems Division, 10 Sharp Plaza, P.O. Box 588, M. Paramus, NJ 07652.

### Irish introduces floppy disk line

PLAINVIEW, NY—Irish Magnetic Industries, maker of magnetic recording tapes, is marketing a line of high quality flexible disks for computer and word processor use.

The disks come in 5 1/4- and eight-in. sizes, single- and double-sided in single- and double-densities. All are individually jacketed and are packaged 10 to a carton as well as in bulk lots. The 5 1/4-in. disks list from \$3.29 to \$4.98, while the eight-in. versions retail from \$4.98 to \$6.98.

Irish Magnetic Industries, Inc., 270-78 Newtown Road, M. Plainview, NY 11803.

### Disks for Apple run on Albert computer

THOUSAND OAKS, CA—Albert Computers has come out with an Apple-compatible computer, which uses the Apple DOS operating system version 3.3. That means over 15,000 programs will be immediately ready to run on the Albert.

Several popular software programs will be bundled with each system. Apple disk drives are also Albert-compatible. Albert provides color graphics with a 256-color palette, using six colors at a time. Background and foreground colors can be changed.

Features include a 40-column format (expandable to 80), a detached typewriter-style keyboard, built-in communications for RS-232, RS-422 and RS-423 and serial and parallel printer ports. The system has a built-in speaker with amplifier and microphone input jack for record and playback of digitized voice or music, time-of-day clock to program timed reminders and five internal I/O expansion slots.

The Albert can add options including an uninterruptible power supply, battery charger/backup, joysticks and expansion to 192K of memory without the use of expansion slots.

The Albert, for \$1,595 retail, has 64K memory and a high-speed game port.

Albert Computers, Inc., 3170 Los Feliz Dr., Unit C, M. Thousand Oaks, CA 91362.



The Apple-compatible Albert

Merchandising  
Computers  
begins on page 39

## IMAGIC'S NEWEST SMASH HIT VIDEO GAME.

Imagic's newest game, Moonsweeper, is so exciting it's sure to be a smash hit.

How can we be so sure? Simple.

Research proved it. Purchase intent for Moonsweeper was even higher than we hoped it would be.

And just to make sure everybody knows how good

Moonsweeper is, we'll be backing it up with a multi-million dollar network and spot television advertising campaign.

So don't be taken by surprise. Call your Imagic rep and order a fleet of Moonsweepers. Today.

**MOONSWEeper  
BY IMAGIC**

For Atari 2600, Atari 5200, Intellivision, ColecoVision, VIC 20, Atari Computers, and TI-99/4A.





## MERCHANDISING COMPUTERS

### TI surrounds CC-40 unit with modem, RAM add-ons

LUBBOCK, TX—Texas Instruments is adding a variety of peripherals to its Compact Computer 40; a low-cost modem, video interface and 16K RAM pack.

The modem, HX-3100, is also compatible with the 99/4A. It is a 300 BAUD (bit-per-second), full-duplex, direct-connect device that is Bell 103 compatible and operates in answer or originate modes. The modem plugs directly into the Compact Computer 40 through the built-in Hex-bus intelligent peripheral port, eliminating the need for an RS-232 interface.

Used with the TI Memo Processor with Data Communications software cartridge available for the CC-40, the new modem can access data communications. Powered by four AA batteries (not included), the modem measures 5-13/16 by 4-9/16 by 1-5/16 in. and will retail for \$99.95.

A video interface gives CC-40 users access to a 40-character by 24-line screen display on any TV or TI monitor. The HX-110 video interface device operates with a TI low-power CMOS eight-bit microprocessor and the TI video processor.

The interface operates in a text mode. Scrolling and paging modes have a top and bottom line-protect function to protect tabular and columnar information in headers and footers. Although its display is 40 columns, it also provides a windowing function for viewing up to 80 characters.

The 16K RAM cartridge expands the CC-40's user-addressable memory more than threefold. The memory is available to users through a single BASIC language command. The 16K RAM can keep information stored as long as the cartridge remains in the machine, even when the machine is turned off. The suggested retail price is \$149.95.

Texas Instruments, Consumer Relations, P.O. Box 53, M, Lubbock, TX 79408.

### \$149 retail placed on Zenith monitor

GLENVIEW, IL—Zenith Data Systems has introduced a line of monitors in a wide price range, including one priced as low as \$149.

The top-of-the-line ZVM-135 is a high-resolution 13-in. color monitor designed for desk-top computers that accept 80-column displays. With a suggested retail price of \$649 (including cable), the model will display up to 640 pixels horizontally and 480 pixels vertically.

The medium-resolution ZVM-131 has a 40-character display, similar to TV sets, but is in a compact monitor-style housing. The 13-in. monitor includes a speaker, making it usable with computers and videogames, video recorders and videodisc systems. Its suggested retail is \$379.

Two models have also been unveiled at low end: the ZVM-122 and the green screen ZVM-123. Both monochrome models are 12-in. monitors housed in cabinets less than 13 in. wide. The ZVM-122 lists for \$169, while the ZVM-123 has a suggested retail of \$149. Both monitors have composite video inputs for use with most popular computers, the company said. All controls are located on the front panel.

Zenith Data Systems, 1000 Milwaukee Ave., M, Glenview, IL 60025.

### Gusdorf expands Compu-Table mix

ST. LOUIS—Gusdorf is expanding its Compu-Table line with product offering two-tone finishes and features.

Oak in combination with ivory-colored desert sand vinyl veneer surfaces characterizes one version, while spectrum walnut with terra-cotta depicts the other. But the styles and prices are the same.

Model 4270 is a desk that includes a storage shelf spanning the full width below, and a lap-level drawer that can be mounted at either the left or right side. Suggested retail for both the 4270 and 4170 is \$153.95.

Two styles of storage accessories are offered. Model 4185 and 4285 are single-level hutch attachments about half the width of the desk surface,



Gusdorf work center

designed to house the monitor. Models 4190 and 4290 are multi-tiered organizers which add vertical storage.

The list price on the hutch is \$20.95; the organizer is \$103.95. Gusdorf Corp., 6900 Manchester Ave., M, St. Louis, MO 63143.

Trendings in Computers  
page 10

## CHANGING THE TYPING HABITS OF THE WORLD!



**brother**

PERSONAL ELECTRONIC PRINTER  
LESS THAN 5 LBS...ONLY 1 3/4" HIGH

Goodbye, old fashioned typewriters. Hello, to the newest sales and profit opportunity in the electronic marketplace. The EP-20 has been selling out wherever featured.

It's electronic. It's revolutionary. It's the world's smallest and lightest full featured portable. And it operates on batteries or included AC adaptor.

It's so compact it fits easily into the average attache or briefcase.

Compare...the EP-20 is engineered with every portable feature plus many office typewriter functions including a 16 character visual display, automatic correction system, dual 88 character office keyboard, plus a built-in calculator.

Get in on the most important breakthrough in 50 years.

Complete with built-in carrying case... you can take it wherever you go... fits into an attache case.

COMPARISON OF SIZE BETWEEN THE EP-20 AND A STANDARD SIZE PORTABLE



BUILT-IN CALCULATOR

A special unique feature. Has a clear key, four function keys plus equal key that triggers the calculator to flash the answer on the display. Also gives print-out.



You type an error, correct it, continue typing 16 character visual display lets you proofread copy before it's on the paper.

For complete information, write Dept. A  
BROTHER INTERNATIONAL CORPORATION,  
8 Corporate Place, Piscataway, N.J. 08854 / 201-981-4300

## MERCHANDISING COMPUTERS

### Panasonic portable computer provides users with eight-line screen, stores eight programs

SECAUCUS, NJ—The JR-800 portable computer from Panasonic shows eight lines of 32 characters each, and can be scrolled for up to 255 columns. The display also features a contrast control.

The unit, first shown at CES, packs 16K of usable RAM, 20K ROM and built-in BASIC. RAM is expandable to 24K and ROM to 32K through the use of optional cartridges.

This portable measures 10 1/4 in. by 5-5/8 in. by 1-3/8 in. and weighs

1-5/8 lbs. Its features include the capacity to store up to eight separate programs within the RAM, memory storage protection when the unit is off, and a standard typewriter keyboard configuration with 20 programmable function keys.

The keyboard provides 51 BASIC commands, 64 graphic symbols and 32 user-definable keys. Four cursor-position keys aid in the performance of on-screen editing. All keys are made of a rubber to assure a slip-resistant response. A five-octave, single-tone generator is built into the

unit with audible confirmation when keys are pressed and data is entered into the computer. The sound can be adjusted or turned off.

A cassette interface built in accepts software programming at 1800 BAUD, or about three times faster than standard cassette drives. Also included is an expansion bus and a Centronics-type printer bus.

The JR-800 runs on four AA batteries or an optional AC adaptor. An auto-off function switches the computer off after six minutes of non-use to conserve power.



JR-800 portable computer

Options available include a 32-column thermal printer for \$149.95, a RAM expansion cartridge and a RAM/ROM expansion cartridge. Scientific calculation, technical and statistical data analysis titles will be among the software support for the unit.

The JR-800 has a suggested retail price of \$449.95 and will be shipped beginning next month.

Panasonic, One Panasonic Way, M. Secaucus, NJ 07094.

### Cleaning diskette finds unused portion

MINNEAPOLIS—Nortronics has released three programs of its floppy disk cleaning system: for the Atari 800, Commodore 64 and the TI 99/4A disk drives.

The head cleaning program enables the user to locate four fresh cleaning surfaces on each cleaning diskette, rather than repeatedly using the same spot or using the diskette only once. It also provides nonstop drive action for 30 seconds, which is necessary to thoroughly clean the heads, the company said.

Programs have already been available for the Apple II Plus and IIe, TRS-80 III, IBM PC and many CP/M systems.

All of the above are for 5 1/4-in. systems. However, a cleaning system with a CP/M program is offered for eight-in. drives.

Nortronics, Recorder Care Div., 8101 Tenth Ave. North, M. Minneapolis, MN 55427.

### User moves mouse to edit copy, draw

NILES, IL—The Command Control Mouse from Wico is an optically encoded, mechanical cursor control that will enable users to edit, draw lines or select menu choices without touching the keyboard. Two models have been unveiled, for the Apple II and IBM PC.

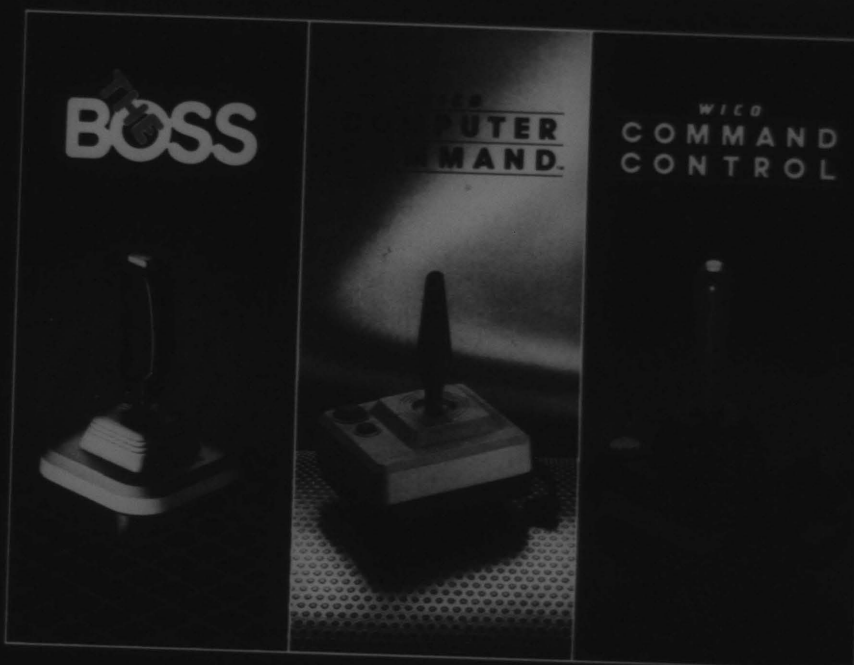
By sliding the hand-held device across a desk-top surface, the user can move the cursor quickly to any point on the CRT screen. The mouse lets the user add, delete or move words and shapes with the touch of a button. It can be used in word processing, spreadsheets and graphic functions.

No grill pad is needed, as the mouse works on any flat surface. It comes with a five-ft. long tail-like cord that connects to the computer. Wico will be making Apple and IBM controller cards to serve as hardware interfaces.

Wico Corp., 6400 Gross Point Road, M. Niles, IL 60648.



Command Control Mouse



## EVERYONE'S GOING WHACKO OVER WICO.

Now there's a WICO peripheral control for virtually every popular home video game and computer sold.

WICO's in control. With the biggest line of peripheral controls anywhere. Controls that meet the customer's needs and pocketbook. The same controls used in over 500 arcade games.

WICO's in control of the fast growing home computer market. Arcade owners pay thousands of dollars for games with WICO controls. WICO believes home computers deserve the same quality. IBM, Radio Shack, and Apple — all can enjoy the most durable, most accurate, fastest controls money can buy. WICO's trackballs and analog joysticks make scores soar like never before.

WICO takes control with Command Control. It's the first line of arcade joysticks ever designed for home video games. Power Grip joysticks, Three-Way Deluxe Joysticks, Trackballs, our bat handle, and Famous Red Ball joysticks all bring the thrill of the arcade home.

WICO puts new controls to work with THE BOSS that lets your customers boss any game around. Fast, maneuverable, accurate — they're the boss.

WICO brings 43 years of experience and know-how to the development of its peripheral controls. WICO's the world's largest designer and manufacturer of control devices for the arcades. And now we're coming home.

# WICO

THE SOURCE

FOR THE ARCADE —  
AND NOW FOR THE HOME.

WICO CORPORATION, Consumer Division, 6400 W. Gross Point Road • Niles, IL 60648

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## MERCHANDISING COMPUTERS

### NEW RELEASES IN SOFTWARE: VIDEOGAMES

**BLUEPRINT**, CBS Electronics. Atari 2600, 5200, Intellivision-compatible. Available now.

**DEATH STAR BATTLE**, Parker Brothers. Atari 2600-compatible. Available now.

**DEATH TRAP**, Avalon Hill. Atari 2600-compatible. Available second half.

**DOMINO MAN**, CBS Electronics. Atari 5200-, Intellivision-compatible. Available in October.

**EWOK ADVENTURE**, Parker Brothers. Atari 2600-compatible. Available in the fall.

**FIRE FLY**, Mythicon. Atari 2600-compatible. Available third quarter. Suggested retail \$9.95.

**HERCULES/CHUCK NORRIS—SUPERKICKS**, Xonox. Atari 2600-compatible. Available third quarter.

**KICK-MAN**, CBS Electronics. Atari 2600-compatible. Available in September.

**K-RAZY SHOOT-OUT**, CBS Electronics. Atari 5200-compatible. Available third quarter.

**LONDON BLITZ**, Avalon Hill. Atari 2600-compatible. Available second half.

**MADDEN FOOTBALL**, CBS Electronics. Atari 5200-compatible. Available in October.



**MOUNTAIN KING**, CBS Electronics. Atari 2600-, 5200-compatible. Available in October.

**MYTHICON SORCERER**, Mythicon. Atari 2600-compatible. Available third quarter. Suggested retail \$9.95.

**OMEGA RACE**, Atari 2600-, 5200-, Intellivision-compatible. Available in September.

**POWER PLAY ARCADE #1**, Amiga. Contains three games. Atari 2600-compatible. Available third quarter. Suggested retail between \$30 and \$40.

**SATAN'S HOLLOW**, CBS Electronics. Atari 5200-compatible. Available in October.

**SIR LANCELOT/ROBIN HOOD**, Xonox. Atari 2600-compatible. Available third quarter.

**SPIKE'S PEAK/GHOST MANOR**, Xonox. Atari 2600-compatible. Available now.



**STAR FOX**, Mythicon. Atari 2600-compatible. Available third quarter. Suggested retail \$9.95.

**TARG**, CBS Electronics. Atari 2600-compatible. Available in September.

**THUNDARR THE BARBARIAN**, Xonox. Atari 2600-, Coleco Vision-compatible. Available in November.

**WALL BALL**, Avalon Hill. Atari 2600-compatible. Available second half.

### COMPUTERS GAMES

**ANT EATER**, Romox. TI 99/4A-compatible. Suggested retail \$39.95.

**ARCHON**, Electronic Arts. Atari-compatible on diskette. Available now. Suggested retail \$40.

**ASTRO CHASE**, Parker Brothers. Atari series-compatible. Available now.

**AXIS ASSASSIN**, Electronic Arts. Apple II series-compatible. Available now. Suggested retail \$35.

**BLUE MAX**, Synapse. Atari series-compatible on diskette and cassette. Available now.

**BREAK THE BANK: BLACKJACK**, Gentry Software. Apple II series-compatible. Available third quarter. Suggested retail \$14.95.

**CHESS**, Parker Brothers. Atari series-, IBM PC-compatible. Atari available this month, PC in September.

**CIRCUIT RUNNER**, Softsync. Commodore 64-compatible. Available third quarter.

**COMPUTER DIPLOMACY**, Avalon Hill. TRS-80 I/III-compatible. Available now. Suggested retail \$30.

**DALLAS**, Datasoft. Atari 400/800/1200-compatible on diskette. Suggested retail \$39.95.

**DIMENSION X**, Synapse. Atari series-compatible on cassette and disk. Available now.

**FOURTH ENCOUNTER**, Thorn EMI. Commodore VIC 20-compatible on cartridge. Available third quarter.

**FROGGER**, Atari series-, VIC 20-compatible. Atari available now, VIC 20 in the fall.

**GO**, Hayden. Apple II series-, Atari-compatible. Suggested retail \$34.95 for Apple, \$29.95 for Atari.

**MAGNETO BUGS**, Gentry Software. Atari 400/800/1200-, Apple II series-compatible on diskette. Available third quarter. Suggested retail \$14.95.

**MANIAC MINER**, Gentry Software. Atari series-compatible on diskette. Available third quarter. Suggested retail \$14.95.

**M.U.L.E.**, Electronic Arts. Atari-compatible on diskette. Available now. Suggested retail \$40.



**NIGHTSTRIKE**, TG Products. Atari series-compatible. Available now. Suggested retail \$44.95.

**PINBALL CONSTRUCTION SET**, Electronic Arts. Atari, Apple-series-compatible on diskette. Available now. Suggested retail \$40.

**POPEYE**, Parker Brothers. Atari series-compatible. Available in September.

**Q\*BERT**, Parker Brothers. Atari series-, Commodore VIC 20-, 64-compatible. Atari, VIC 20 formats available now, 64 in November.

**SCYON'S REVENGE**, Timeworks. Timex 1000-compatible. Available now. Suggested retail in series range from \$12.95 to \$19.95.

**SEA CHASE**, Romox. Atari series-compatible. Available now. Suggested retail \$39.95.

**WALL STREET**, Timeworks. Commodore 64-compatible on cassette or disk. Available second half. Suggested retail range from \$21.95 to \$29.95.

**WARGLE**, Hayden. Apple II-, Atari series-compatible. Available now. Suggested retail \$34.95.

**WHIZ KID**, Romox. Atari series-, VIC 20-compatible. Available now. Suggested retail \$39.95.

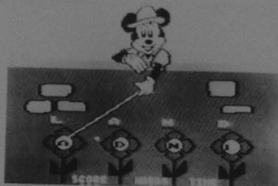
**WORMS?**, Electronic Arts. Atari series-compatible. Available now. Suggested retail \$35.

### LEARNING

**ALGEBRA 1**, Eduware. Apple II-, IBM PC-compatible. Available now. Suggested retail \$39.95.

**ALGEBRA 2**, Eduware. Apple II-, IBM PC-compatible. Available now. Suggested retail \$39.95.

**BEST COMPUTER COACH**, B.E.S.T. Atari, Apple II series-, Commodore VIC 20- and 64-, TI 99/4A-compatible. Available now. Suggested retail \$19.95.



**MICKEY IN THE GREAT OUTDOORS**, Walt Disney. Atari-compatible on cassette or disk. Available now.

**PROGRAMMING KIT I**, Timeworks. Commodore 64-, Timex 1000-compatible. Available now. Suggested retail in series range from \$12.95 to \$19.95.

**SLOT TRIVIA**, T & F Software. Atari series-compatible on disk. Available now.

**SPELLICOPTER**, DesignWare. Apple II-, Atari series- and IBM PC-compatible. Available now. Suggested retail \$39.95.

**THE ART OF DIVISION**, Roklan. Atari series-compatible. Available third quarter. Suggested retail \$44.95.

**VANILLA PILOT**, Computer Marketing Services. Commodore 64-compatible. Available now. Suggested retail \$29.95 for cassette or disk.

### HOME MGT.

**CHECKBOOK MANAGER**, Computer Marketing Services. Commodore 64-compatible. Available now. Suggested retail \$39.95 for disk, \$34.95 for cassette.

**COMPUTER CHEF**, Software Toolworks. Kaypro, Osborne, Zenith, CP/M-compatible. Suggested retail \$29.95.

**MEMORY TRAINER**, Einstein. Apple II-, Atari 800- and Commodore 64-compatible. Suggested retail \$89.95.

**MODEL DIET**, Softsync. Commodore 64-compatible. Available third quarter.

**MONEY WIZARD**, Datasoft. Atari 400/800/1200-compatible on diskette. Available now. Suggested retail \$69.

**PS**, Computer Software Associates. Commodore VIC 20-, 64-compatible. Available third quarter. Suggested retail under \$100.

**WORD WIZARD**, Datasoft. Atari 400/800/1200-compatible on diskette. Available now. Suggested retail \$69.

**WORKSHEET WIZARD**, EduSoft. Apple II series-compatible. Available Oct. 1. Suggested retail \$24.95.

## Merchandising's TOP 10 TEN

... in videogame software

	Last month's position	Months on chart
1. Enduro (Activision)	1	2
2. Centipede (Atari)	2	5
3. Ms. Pac-Man (Atari)	3	6
4. Frogger (Parker Brothers)	—	5
5. River Raid (Activision)	6	6
6. BurgerTime (Mattel)	—	1
7. Donkey Kong, Jr. (Coleco)	5	3
8. Pitfall (Activision)	7	6
9. Looping (Coleco)	—	1
10. Robot Tank (Activision)	—	1



# 1983 Directory of Personal Computer Software Manufacturers and Publishers

## A

**Acorn Software Products**  
634 N. Carolina Ave., SE  
Washington, DC 20003  
202/544-4259

**Activision, Inc.**  
Drawer #7286  
2350 Bayshore Frontage Road  
Mountain View, CA 94042  
425/960-0410

**Addison-Wesley Publishing Co.**  
Jacob Way  
Reading, MA 01867  
617/944-3700

**Advanced Operating Systems**  
450 St. John Road  
Michigan City, IN 46360  
219/879-4693

**Adventure Int'l.**  
507 East St.  
P.O. Box 3435  
Longwood, FL 32750  
305/862-6917

**Albert Computers, Inc.**  
3170 Los Feliz Drive, Unit C  
Thousand Oaks, CA 91362  
805/497-1073

**The Alien Group**  
27 W. 23 St.  
New York, NY 10010  
212/741-1770

**Amiga Corp.**  
3350 Scott Blvd.,  
Building #7  
Santa Clara, CA 95051  
408/748-0222

**Androbot, Inc.**  
1287 Lawrence Station Road  
Sunnyvale, CA 94086  
408/745-1084

**Apple Computer, Inc.**  
10260 Bandley Dr.  
Cupertino, CA 95014  
408/996-1010

**Art Sci./Softape**  
5547 Satsuma Ave.  
N. Hollywood, CA 91601  
213/985-2922

**Ashton-Tate, Inc.**  
10150 W. Jefferson Blvd.  
Culver City, CA 90230  
213/204-5570

**Atari, Inc.**  
1265 Borregas Ave.  
P.O. Box 427  
Sunnyvale, CA 94086  
408/745-2000

**Avalon Hill/Microcomputer Games**  
4517 Harford Road  
Baltimore, MD 21204  
301/254-5300

**Axlon, Inc.**  
70 Daggett Dr.  
San Jose, CA 95134  
401/945-0500

Get out your scissors! Listed on pages 57 through 61 are the names of 241 software manufacturers and publishers—the major forces in today's market. Need to make a quick contact? Here's your guide. Makers of game, education and home management titles (along with blank media) have all been listed for your convenience.

What's more, this guide will be updated in the November issue of *Merchandising* as part of our 1984 Directory. With the market expanding so quickly, that offering is bound to be even bigger. Watch for it!



## B

**BASF Systems Corp.**  
10 Crosby Dr.  
Bedford, MA 01730  
617/271-4000

**BSG Corp.**  
7674 Washington Ave. S.  
Minneapolis, MN 55344  
612/944-8180

**Bandat America, Inc.**  
6 Pearl Ct.  
Allendale, NJ 07401  
201/825-1060

**Berzurk Systems**  
1434 Parker St.  
Berkeley, CA 94702  
415/658-2917

**Big 5 Software**  
P.O. Box 9078-185  
Van Nuys, CA 91409  
213/782-6861

**Blue Chip Software**  
19824 Ventura Blvd.  
Woodland Hills, CA 91364  
213/881-8288

**Boston Electronic Systems Training (BEST)**  
24 Munroe St.  
Newtonville, MA 02160  
617/969-BEST

**Broderbund Software**  
1938 Fourth St.  
San Rafael, CA 94901  
415/456-6424

**Brown Disc Manufacturing, Inc.**  
1015 Garden of the Gods Road  
Colorado Springs, CO 80907  
303/593-1015

**Bruce & James Program Publishers, Inc.**  
4500 Tuller Road  
Dublin, OH 43017  
614/766-0110

## C

**CBS Electronics**  
41 Madison Ave.  
New York, NY 10010  
212/481-6409

**CBS Software, CBS/Columbia Group**  
One Fawcett Place  
Greenwich, CT 06836  
203/622-2620

**Casio, Inc.**  
15 Gardner Road  
Fairfield, NJ 07006  
201/575-7400

**Children's Computer Workshop**  
1 Lincoln Plaza  
New York, NY 10023  
212/595-3456

**Coleco Industries**  
Coleco Corporate Center  
999 S. Quaker Lane  
W. Hartford, CT 06110  
203/725-6000

**Commavid**  
1470 N. Farnsworth Ave.  
Aurora, IL 60505  
312/851-3190

**Commodore Business Machines Computer Systems Division**  
1200 Wilson Dr.  
West Chester, PA 19380  
215/431-9100

**Compal, Inc.**  
6300 Variel Ave.  
Woodland Hills, CA 91367  
213/992-4425

**Compuscope, Inc.**  
6400 Signal St.  
Tillamook, OR 97141  
503/842-4431

**Compuserve**  
5000 Arlington Center Blvd.  
Columbus, OH 43220  
800/848-8990

**Computer Consultants of Iowa**  
P.O. Box 427  
Marian, IA 52302  
312/373-1306

**Computercraft**  
156 Drakes Lane  
Summertown, TN 38483  
615/964-3573

**Computer Magic, Ltd.**  
6801 Jericho Tpke.  
Syosset, NY 11791  
516/883-0094

**Computer Marketing Services, Inc.**  
300 W. Marilton Pike, Suite 26  
Cherry Hill, NJ 08002  
609/795-9480

**Computer Software Associates**  
50 Teed Dr.  
Randolph, MA 02368  
617/967-5700

**Computing!**  
2519-W Greenwich St.  
San Francisco, CA 94123  
415/567-1634

**Condor Computer Corp.**  
2051 S. State St.  
Ann Arbor, MI 48104  
313/769-3988

**Continental Software**  
11223 S. Hindry Ave.  
Los Angeles, CA 90045  
213/417-8031

**Control Data**  
8100 34 Ave. S.  
Mailing Address/Box 0  
Minneapolis, MN 55440  
612/835-8037

**Cosmi, Inc.**  
904 Silver Spur Road, #402  
Rolling Hill Estates, CA 90274  
213/541-5201

**Creative Software**  
201 San Antonio Circle  
Mountainview, CA 94040  
415/948-9595

**Cromemco, Inc.**  
280 Bernardo Ave.  
Mountain View, CA 94043  
415/964-7400

**Cross Educational Software**  
1802 N. Trenton St.  
P.O. Box 1536  
Ruston, LA 71270  
318/255-8921

## D

**Datamost, Inc.**  
8943 Fullbright Ave.  
Chatsworth, CA 91311  
213/709-1202

**Datasoft, Inc.**  
19519 Business Center Dr.  
Northridge, CA 91324  
213/701-5161

**Davidson Associates**  
6069 Groveoak Place, #12  
Rancho Palos Verdes, CA 50274  
213/378-7826

**Design Trends, Inc.**  
Box G  
644 Danbury Road  
Wilton, CT 06897  
203/834-1560

**DesignWare, Inc.**  
185 Berry St.  
San Francisco, CA 94107  
415/546-1866

**Digital Equipment Corp.**  
146 Main St.  
Maynard, MA 01754  
617/897-5111

(Continued on next page)

## MERCHANDISING COMPUTERS

### PERSONAL COMPUTER SOFTWARE BUYERS' GUIDE

(Continued from preceding page)

**Discwasher**  
1407 N. Providence Rd. P.O. Box 6021  
Columbia, MO 65205  
314/449-0941

**Docutel/Olivetti Corp.**  
155 White Plains Road  
Tarrytown, NY 10591  
914/631-8100

**Dow Jones and Co., Inc.**  
P. O. Box 300  
Princeton, NJ 08540  
609/452-2000

**Walt Disney Telecommunications**  
500 South Buena Vista St.  
Burbank, CA 91521  
213/840-1111

### E-F

**Eagle Computer, Inc.**  
983 University Ave.  
Los Gatos, CA 95030  
408/395-5005

**Edufun/Div. Milliken Publishing**  
1100 Research Blvd.  
St. Louis, MO 63132  
314/991-4220

**Edusoft**  
P.O. Box 2560  
Berkeley, CA 94702  
800/227-2778

**Edu-Ware Services, Inc.**  
28035 Dorothy Dr.  
Agoura Hills, CA 91301  
213/706-0661

**The Einstein Corp.**  
11340 W. Olympic Blvd.  
Los Angeles, CA 90064  
213/477-4539

**Electra Concepts Corp.**  
125 Wilbur Place  
Bohemia, NY 11716  
516/567-4149

**Electronic Arts**  
2755 Campus Dr.  
San Mateo, CA 94403  
415/571-7171

**Emerald Valley Publishing Co.**  
1500 Valley River Dr., Suite 250  
Eugene, OR 97402  
503/485-8796

**English Software Co.**  
P.O. Box 3185  
Redondo Beach, CA 90277  
213/372-3440

**Entex Industries, Inc.**  
303 W. Artesia Blvd.  
Compton, CA 90220  
213/637-6174

**Epson America, Inc.**  
3415 Kashiwa St.  
Torrance, CA 90505  
213/539-9140

**Epyx**  
1043 Kiel Court  
Sunnyvale, CA 94086  
408/745-0700

**First Star Software**  
22 E. 41 St.  
New York, NY 10017  
212/532-4666

**Forethought, Inc.**  
1973 Landings Dr.  
Mountain View, CA 94043  
415/961-4720

**Fortune Systems**  
1501 Industrial Road  
San Carlos, CA 94070  
415/595-8444

**Fox Video Games**  
Box 794  
Saratoga, CA 95071  
408/988-6666

**Franklin Computer Corp.**  
7030 Colonial Hwy.  
Pennsauken, NJ 08109  
609/488-1700

**Frobco**  
603 Mission St.  
Santa Cruz, CA 95060  
408/429-1551

**Fuji Photo Film USA**  
350 Fifth Ave.  
New York, NY  
212/736-3335

**FunWare, Inc.**  
405 N. Bowser, Bldg. A  
Richardson, TX 75081  
214/680-8298

### G-H

**The Game Network**  
1438 N. Gower St.  
Box 22  
Hollywood, CA 90228  
213/932-1950



## Why the Fuji Magnetic Tape Division has changed

© 1983 Fuji Photo Film U.S.A., Inc., Magnetic Products Div., 350 Fifth Avenue, NY, NY 10118

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Fuji Film F  
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## MERCHANDISING COMPUTERS

**Gamesource**  
21540 Blythe St.  
Canoga Park, CA 91304  
213/716-7755

**Gamestar**  
1302 State St.  
Santa Barbara, CA 93101  
805/963-3487

**Gavilan Computer Corp.**  
240 Hacienda Ave.  
Campbell, CA 95008  
408/379-8005

**General Consumer Electronics Corp.—Milton Bradley**  
233 Wilshire Blvd. #220  
Santa Monica, CA 90401  
213/458-1730

**Hayden Software Co.**  
600 Suffolk St.  
Lowell, MA 01853  
617/937-0200

**Hayes Microcomputer Products, Inc.**  
5923 Peachtree Industrial Blvd.  
Norcross, GA 30092  
404/449-8791

**Hewlett-Packard Co.**  
3000 Hanover St.  
Palo Alto, CA 94304  
415/857-1501

**Highland Computer Services**  
6713 Vista Del Mar  
La Jolla, CA 92037  
714/454-5079

**Home Computer Software, Inc.**  
1307 S. Mary Ave.,  
Suite 209  
Sunnyvale, CA 94087  
408/735-8400

**Human Engineered Software (HESWare)**  
71 Park Lane  
Brisbane, CA 94005  
415/468-4110

**IBM Corp.**  
P.O. Box 1328  
Boca Raton, FL 33432  
305/998-6193

**Imagic Corp.**  
981 University Ave.  
Los Gatos, CA 95030  
408/399-2200

**Infocom**  
55 Wheeler St.  
Cambridge, MA 02138  
617/492-1031

**Information Unlimited Software, Inc.**  
2401 Marinship Way  
Sausalito, CA 94965  
415/331-6700

**Ingraham Book Co.**  
347 Reedwood Dr.  
Nashville, TN 37217  
615/361-5000

**Inhome Software**  
2485 Dunwin Dr.  
Unit 8  
Mississauga, Ontario  
Canada L5L1T1  
416/828-0775

**Innovative Concepts**  
2284 Ringwood Ave.  
San Jose, CA 95131  
408/262-6680

**Instant Software**  
Rt. 101  
Peterborough, NH 03458  
603/924-7296 800/258-5473

**Intelligent Systems**  
225 Technology Park  
Norcross, GA 30092  
404/449-5961

**International Antex, Inc.**  
1650 Hanshaw Road  
P.O. Box 91  
Ithaca, NY 14850  
607/257-0190

## K-L

**K-Byte**  
1705 Austin  
Troy, MI  
313/524-9878

**Kandy Man Sales**  
8020 E. Central, Suite 150  
Wichita, KS 67206  
316/681-0441

**Kaypro Computer Corp.**  
533 Stevens Ave.  
Solana Beach, CA 92075  
619/755-1134

**Koala Technologies Corp.**  
4962 El Camino Real, Suite 125  
Los Altos, CA 94022  
415/964-2992

**Kraft Systems**  
450 W. California  
Vista, CA 92083  
619/724-7146

**Leading Edge Products, Inc.**  
225 Turnpike St.  
Canton, MA 02021  
617/828-8150

**The Learning Co.**  
4370 Alpine Road  
Portola Valley, CA 94025  
415/851-3160

**Lifeboat Associates**  
1651 Third Ave.  
New York, NY 10028  
212/860-0300

(Continued on next page)

its name to the Fuji Magnetic Products Division.

Change.

It's one thing you can be certain of in this business.

This May, for instance, the Fuji Magnetic Tape Division introduced a magnetic product (the Fuji Film Floppy Disk) that wasn't audio tape or video tape.

It seemed like a good time to change our name to reflect that we're doing more than just broadening our product line.

Of course, the "new" Fuji Magnetic Products Division will still be selling the same high-quality audio and video tapes which made the "old" Fuji Magnetic Tape Division famous.

But there will be a difference.

Our new name means you can be on the lookout for new products from Fuji; products that can help you take advantage of expanding opportunities in all areas of magnetic media.

Because the best way to keep up with a changing marketplace is to keep ahead of it.



# MERCHANDISING COMPUTERS

## PERSONAL COMPUTER SOFTWARE BUYERS' GUIDE

(Continued from preceding page)

**Lifetree Software**  
411 Pacific St., #315  
Monterey, CA 93940  
415/373-4718

**Lightning Software**  
P.O. Box 11725  
636 Waverly  
Palo Alto, CA 94036  
415/327-3280

**Loranger Entertainment**  
38 Clark St.  
Warren, PA 16365  
814/723-8600

**Lotus Development Corp.**  
55 Wheeler St.  
Cambridge, MA 02138  
617/492-7171

### M

**Magic Computer Co. Inc.**  
Two Executive Dr., Fifth Floor  
Fort Lee, NJ 07024  
201/944-6700

**Magnavox/Div. N.A.P. Consumer Electronics**  
Box 6950  
1-40 & Straw Plains Pike  
Knoxville, TN 37914  
615/521-4316

**MAI/Basic Four**  
601 San Pedro NE  
Albuquerque, NM 87123  
505/266-5811

**Maxell Corp. of America**  
Special Products Div.  
60 Oxford Dr.  
Moonachie, NJ 07074  
201/440-8020

**Maxtron**  
7807-A Telegraph Road  
Montebello, CA 96040  
213/724-0829

**Mattel Electronics**  
5150 Rosecrans Ave.  
Hawthorne, CA 90250  
213/978-5150

**Memorex Media Products Group**  
Flexible Disk Media Div.  
1125 Memorex Dr.  
Santa Clara, CA 95052  
408/987-2026

**Memotech Corp.**  
7550 W. Yale Ave. #200  
Denver, CO 80227  
303/986-1516

**Memtek Products**  
675 N. First St. Eighth Floor  
San Jose, CA 95112  
408/987-2039

**Micro Lab**  
2310 Skokie Valley Road  
Highland Park, IL 60035  
312/433-7550

**MicroSoft**  
10700 Northrup Way  
Bellevue, WA 98004  
206/828-8080

**Micro Software Int'l., Inc.**  
The Silk Mill, 44 Oak St.  
Newton Upper Falls, MA 02164  
617/527-7510

**Microtek, Inc.**  
9514 Chesapeake Dr.  
San Diego, CA 92123  
619/569-0900

**Micro Video Corp.**  
P.O. Box 7357  
Ann Arbor, MI 48107  
313/996-0626

**Milliken Publishing Co.**  
1100 Research Blvd.  
St. Louis, MO 63132  
314/991-4220

**Milton Bradley Co.**  
111 Maple St.  
Springfield, MA 01101  
413/525-6411

**Mindware, Inc.**  
15 Tech Circle  
Natick, MA 01760  
617/655-3388

**Mirror Images Software, Inc.**  
1223 Peoples Ave.  
Troy, NY 12180  
518/274-2335

**Muse Software**  
330 N. Charles St.  
Baltimore, MD 21201  
301/659-7212

**Mythicon, Inc.**  
P.O. Box 1347  
Cupertino, CA 95015  
408/446-2020

### N

**Nashua Corp.**  
Computer Products Div.  
44 Franklin St.  
Nashua, NH 03061  
603/880-2323

**National Systems Corp.**  
12417 Cedar Road  
Cleveland, OH 44106  
216/721-3309

**NEC Home Electronics**  
1401 Estes Ave.  
Elk Grove Village, IL 60007  
312/228-5900

**Nintendo of America**  
4820 150 Ave. NE  
Redmond, WA 98052  
206/575-8191

### O-P

**Odyssey/Div. N.A.P. Consumer Electronics**  
1-40 & Straw Plains Pike  
Knoxville, TN 37914  
615/521-4316

**Ohio Scientific, Inc.**  
1333 S. Chillicothe Road  
Aurora, OH 75201  
216/562-5177

**Osborne Computer Corp.**  
26500 Corporate Ave.  
Hayward, CA 94545  
415/887-8080

**PCSoftware**  
9120 Gramercy, Suite 416-A  
San Diego, CA 92123  
619/571-0981

**PM Industries, Inc.**  
5946 Kester Ave.  
Van Nuys, CA 91411  
213/786-9712

**Pacific Coast Software Corp.**  
3220 S. Brea Canyon Road  
Diamond Bar, CA 91765  
714/594-8210

**Palmtext, Inc.**  
1167 Chess Dr., Suite E  
Foster City, CA 94404  
415/341-3366

**Panasonic**  
1 Panasonic Way  
Secaucus, NJ 07094  
201/348-7000

**Paramount Home Video/Sega Distribution**  
5555 Melrose Ave.  
Los Angeles, CA 90038  
213/468-5000

**Parker Brothers**  
50 Dunham Road  
Beverly, MA 01915  
617/927-7600

**Passport Designs, Inc.**  
116 N. Cabrillo Hwy.  
Half Moon Bay, CA 94019  
415/726-0280

**Peachtree Software, Inc.**  
3445 Peachtree Road, N.E.  
Atlanta, GA 30326  
404/262-2376

**Penguin Software**  
830 4th Ave.  
Geneva, IL 60134  
312/232-1984

**Percom Data Co., Inc.**  
11220 Pagemill Road  
Dallas, TX 75243  
214/340-7081

**Perfect Software**  
702 Harrison St.  
Berkeley, CA 94710  
415/527-2626

**Persyst**  
15801 Rockfield Blvd., Suite A  
Irvine, CA 92714  
714/859-8871

**Pertec Computer Corp.**  
12910 Culver Blvd.  
Los Angeles, CA 90066  
213/642-4601

**Phoenix Software, Inc.**  
64 Lake Zurich Dr.  
Lake Zurich, IL 60047  
312/438-4850

**Playcable**  
1775 Broadway  
New York, NY 10019  
212/974-8960

**Primages, Inc.**  
620 Johnson Ave.  
Bohemia, NY 11716  
516/567-8200

**Polymorphic Systems**  
5730 Fernwood Dr.  
Santa Barbara, CA 93117  
805/967-0468

**Program Design, Inc.**  
95 E. Putnam Ave.  
Greenwich, CT 06830  
203/661-8799

### Q-R

**Quadram Corp.**  
4357 Park Dr.  
Norcross, GA 30093  
404/923-6666

**Quasar Co.**  
9401 W. Grand Ave.  
Franklin Park, IL 60131  
312/451-1200

**Quick Brown Fox**  
548 Broadway, Suite 4F  
New York, NY 10012  
212/925-8290

**RB Robot Corp.**  
14618 W. Sixth Ave., Suite 201  
Golden, CA 90401  
303/279-5525

**RCA Microcomputer Products**  
New Holland Ave.  
Lancaster, PA 17604  
717/397-7661

**Radio Shack/Tandy Corp.**  
1800 One Tandy Center  
Fort Worth, TX 76102  
817/390-3011

**Recoton Corp.**  
46-23 Crane St.  
Long Island City, NY 11101  
212/392-6442

**Ritam Corp.**  
P.O. Box 921  
Fairfield, IA 52556  
515/472-8262

**Roklan Corp.**  
3335 N. Arlington Hts. Road  
Arlington Heights, IL 60004  
312/392-2525

**Romox, Inc.**  
501 Vandell Way  
Campbell, CA 95008  
408/374-7200

### S

**Sanyo Business Systems Corp.**  
51 Joseph St.  
Moonachie, NJ 07074  
201/440-9300

**Scholastic, Inc.**  
730 Broadway  
New York, NY 10003  
212/505-3000

**SciTech Corp.**  
4359 SW 75 Ave.  
Miami, FL 33155  
305/261-6038

**Scott, Foresman Electronic Publishing**  
1900 E. Lake Ave.  
Glenview, IL 60025  
312/729-3000

**Scientific Data Systems**  
344 Main St.  
Venice, CA 90291  
213/390-9673

# MERCHANDISING COMPUTERS

**Sega**  
2029 Century Park E.  
Los Angeles, CA 90067  
213/557-1700

**Sentient Software, Inc.**  
P.O. Box 4929  
Aspen, CO 81612  
303/925-9293

**Sharp Electronics Corp.**  
10 Sharp Pl.  
Paramus, NJ 07652  
201/265-5600

**Sierra On-Line Software**  
36575 Mudge Ranch Road  
Coarsegold, CA  
209/683-6858

**Silicon Valley Systems, Inc.**  
1625 El Camino Real, #4  
Belmont, CA 94002

**Silversoft**  
906 N. Main  
Wichita, KS 67203  
316/262-1940

**Simple Soft, Inc.**  
480 Eagle Dr., Suite 101  
Elk Grove, IL 60007  
312/364-0752

**Sinclair Research, Ltd.**  
50 Stanford St.  
Boston, MA 02104  
617/742-4826

**Sirius Software**  
10364 Rockingham Dr.  
Sacramento, CA 95827  
916/366-1195

**Sir-Tech Software**  
6 Main St.  
Ogdensburg, NY 13669  
315/393-6633

**Slagh Systems Services, Inc.**  
7737 Memorial (Detroit)  
P.O. Box 53  
Dearborn, MI 48121  
313/846-6666

**Small Computer Co., Inc.**  
230 West 41st St., Suite 1200  
New York, NY 10036  
212/398-9290

**Soft Images/Div. Decision Systems, Inc.**  
200 Route 17  
Mahwah, NJ 07430

**Softlink Corp.**  
3255-2 Scott Blvd.  
Santa Clara, CA 95051

**Soft Kat**  
5842 Hilltop Road  
Hidden Hills, CA 91302  
213/888-6594

**Softsmith Corp.**  
2935 Whipple Road  
Union City, CA 94587  
415/487-5200

**Softsync, Inc.**  
14 E. 34 St.  
New York, NY 10016  
212/685-2080

**Software Arts**  
27 Mica Lane  
Wellesley, MA 02181  
617/237-4000

**Software Publishing Corp.**  
1901 Landings Dr.  
Mountain View, CA 94043  
415/962-8910

**Software Technology For Computers**  
P.O. Box 428  
Belmont, MA 02178  
617/923-4334

**The Software Toolworks**  
15288 Ventura Blvd.  
Suite 1118  
Sherman Oaks, CA 91403  
213/986-4885

**Sony Corp. of America  
Microcomputer Products Division**  
7 Mercedes Dr.  
Montvale, NJ 07645  
201/573-8899

**Sound Video Unlimited**  
7000 N. Austin  
Niles, IL 60648  
312/647-0800

**Spectravideo, Inc.**  
39 W. 37 St.  
New York, NY 10018  
212/869-7911

**Spinnaker Software**  
215 First St.  
Cambridge, MA 02142  
617/868-4700

**Starpath**  
2005 Dela Cruz Blvd.  
Santa Clara, CA 95050  
408/748-8551

**Stearns Computer Systems**  
3501 Raleigh Ave. So.  
Minneapolis, MN 55416  
612/929-4400

**Stoneware**  
50 Belvedere St.  
San Rafael, CA 94901  
415/454-6500

**Strategic Simulations, Inc.**  
465 Fairchild Dr., #108  
Mountain View, CA 94043  
415/964-1353

**Sunrise Software, Inc.**  
P.O. Box 461  
Owatonna, MN 55060  
516/451-0860

**Supersoft**  
P.O. Box 1628  
Champaign, IL 61820  
217/359-2112

**Swire Magnetics Co.**  
301 E. Alondra Blvd.  
P.O. Box 1187  
Gardena, CA 90248  
213/515-0494

**Synapse Software**  
5327 Jacuzzi St.  
Suite 1  
Richmond, CA 94804  
415/527-7751

**Syncom**  
P.O. Box 130  
1000 Syncom Dr.  
Mitchell, SD 57301  
605/996-8200

**Syncro, Inc.**  
30941 W. Agoura Rd.  
Westlake Village, CA 91361  
213/889-9508

## T-U-V

**TCS Software**  
3209 Fondren Road  
Houston, TX 77063  
800/231-6454

**TDK Electronics Corp.**  
12 Harbor Park Dr.  
Port Washington, NY 11050  
516/625-0100

**TG Products**  
1104 Summit Ave.,  
Suite 110  
Plano, TX 75074  
214/424-8568

**TMQ Software, Inc.**  
82 Fox Hill Dr.  
Buffalo Grove, IL 60090  
312/520-4440

**Talcove & Familian Co.**  
10902 Riverside Dr.  
N. Hollywood, CA 91602  
213/501-5845

**Taurus Software**  
3685 Mt. Diablo Blvd.,  
Suite 251  
Lafayette, CA 94549  
415/283-7222

**Telesys**  
43334 Bryant St.  
Fremont, CA 94539  
415/651-2970

**Televideo Systems**  
1170 Morse Ave.  
Sunnyvale, CA 94086  
408/745-7760

**Terrapin, Inc.**  
380 C Green St.  
Cambridge, MA 02139  
617/492-8816

**Texas Instruments, Inc.**  
P.O. Box 53  
Lubbock, TX 79408  
800/858-4565

**Thorn EMI**  
1370 Ave. Of The Americas  
New York, NY 10019  
212/977-8990

**3M Consumer Products/Magnetic Products Div.**  
3M Center, Bldg. 223-5  
St. Paul, MN 55144  
612/733-1387

**Tiger Electronic Toys**  
909 Orchard  
Mundelein, IL 60060  
312/949-8100

**Timeworks, Inc.**  
P.O. Box 321  
Deerfield, IL 60015  
312/291-9200

**Timex Corp.**  
P.O. Box 2655  
Waterbury, CT 06720  
203/573-5000

**Tomy Corp.**  
P.O. Box 6252  
Carson, CA 90749  
213/549-2721

**Toshiba America, Inc.  
Information Systems Division**  
2442 Michelle Dr.  
Tustin, CA 92680  
714/730-5000

**Tronix Publishing, Inc.**  
701 W. Manchester  
Inglewood, CA 90301  
213/671-8440

**Turning Point Software**  
11A Main St.  
Watertown, MA 02172  
617/923-4441

**2-Bit Software**  
P.O. Box 2036  
Del Mar, CA 92014  
619/481-3629

**United Software of America**  
750 Third Ave.  
New York, NY 10017  
212/682-0347

**United Microware Industries**  
3503-C Temple Ave.  
Pomona, CA 91768  
714/594-1351

**Unitronics**  
401 Grand Ave.  
Oakland, CA 94610  
415/839-2301

**Universal Gamex**  
8750 Holloway Dr.  
Los Angeles, CA 90069  
213/652-6552

**Vector Graphic, Inc.**  
500 N. Ventu Park Blvd.  
Thousand Oaks, CA 91320  
805/499-5831

**Venturevision**  
2100 N. Hwy. 360  
Grand Prairie, TX 75050  
214/641-5606

**Video Technology USA**  
2633 Greenleaf Ave.  
Elk Grove Village, IL 60007  
312/640-1776

**Video Wizard**  
292 Charcot Ave.  
San Jose, CA 95131  
408/263-9858

**Visicorp**  
2895 Zanker Road  
San Jose, CA 95134  
408/946-9000

## W-X-Y-Z

**Wizard Video, Inc.**  
8160 Amor Road  
Los Angeles, CA 90046  
213/859-0034

**Xerox Corp.**  
1341 W. Mockingbird Lane  
Mail Stop 124  
Dallas, TX 75247  
214/689-6900

**Xonox**  
11311 Fifth St. S.  
Hopkins, MN 55343  
612/932-4070

**Zenith Data Systems**  
Hilltop Road  
St. Joseph, MI 49085  
616/982-3200

**Zimag [MTI]**  
14600 S. Broadway  
Gardena, CA 90248  
213/217-0077

**EDITOR'S NOTE:** Every effort has been made to include the names of all software sources in the above directory. However, the rapid growth of the market makes it difficult to keep track of every firm. If we have missed your company, or printed an incorrect address, please advise us. You will be listed correctly in a future issue.

# WHILE OTHER COMPUTER COMPANIES ARE BUSY SETTING NEW PRICES, SPECTRAVIDEO IS BUSY SETTING NEW STANDARDS.

**MSX™ and LOGO™: Two more reasons why Spectravideo is  
leading the way in Personal Computers.**

While price wars and confusion reign all around us, Spectravideo goes about its business, setting standards by which all other personal computers will soon be judged. Because we offer a computer system that is years ahead of its competitors—a system that offers so much more—we don't have to slice our prices (and your profit margins) to the bone. The fact is, Spectravideo is not only the most powerful computer in its price range, it's also the most profitable for you.

## MSX AND LOGO.

How is the SV-318 helping to set standards for the industry? The biggest news is MSX™ and LOGO™.

It is now history that, on June 15, 1983, Spectravideo Inc. joined with most of Japan's largest electronics firms to launch MSX. The most far-reaching personal computer standard in history. MSX is the name given to a specific hardware software configuration that makes product interchangeability possible. While Spectravideo is proud to participate in MSX, we are even prouder of this fact: It was our own SV-318 computer that was used as a prototype for the MSX design! There are two important aspects to this.

First, all future MSX hardware—i.e. computers, peripherals, appliances—will be based on several key design elements of the SV-318.

In addition, the software aspect of MSX was largely inspired by the software built into the SV-318. From the outset, Spectravideo offered built-in Microsoft BASIC as its resident interpreter. Now Microsoft also makes a LOGO program compatible with the SV-318. It was Spectravideo's Microsoft BASIC LOGO that helped to make MSX possible.

Another standard that Spectravideo can take credit for is the built-in Joystick Cursor Control. Built right into the SV console, this control is always at fingertips and is much easier and faster to use than external joysticks or conventional editing controls. Certain engineering elements that helped to make this built-in control possible have also been incorporated into MSX.

What does all this mean to you, the dealer? Foremost, it means that there is yet another powerful reason for people to turn to Spectravideo first. We are, in fact, the only American computer manufacturer to offer the MSX standard. In a broader sense, it also means that by carrying Spectravideo, you will be able to simplify your product line and reduce your inventory. And with streamlining, comes greater profitability.

## OTHER STANDARDS OF EXCELLENCE.

While these are the computer standardizations that Spectravideo helped to initiate, they by no means represent the whole SV-318 story. This remarkable computer has also established many standards of excellence that other personal computers now aspire to:

■ **Built-In Super Extended Microsoft BASIC**—Makes the SV-318 the first truly programmable affordable computer!

■ **Extraordinary Memory**—32K ROM expandable to 96K, and 32K RAM expandable (via bank switching) to 256K.

■ **Unparalleled Expandability**—A full supporting system of 14 peripherals, including our new Colecovision™ Game Adapter, 7-Slot Expander Unit, Floppy Disk Drive, Data Cassette, Interface Cartridges, etc.

■ **More Available Software**—Built-in CP/M compatibility gives you immediate access to over 3,000 existing software programs. Plus, you can utilize Spectravideo's own fine software library.

■ **Advanced Graphics Capabilities**—The SV-318 offers 16 colors in high resolution, and more importantly, 32 programmable sprites that allow tremendous control of movable screen objects.

■ **Many other fine features**—Such as Z80A Microprocessor with fast (3.6) internal clock, top-loading cartridge slot, 10 user-programmable special function keys, 3 sound channels (8 octaves per channel), low profile and attractive styling.

Amid the wild price fluctuations and other hysteria, Spectravideo is one computer company that's kept its head. We'll let the others fight it out. We'll keep coming up with startling new innovations instead of startlingly low prices. And we'll keep your profit margins up where they belong.

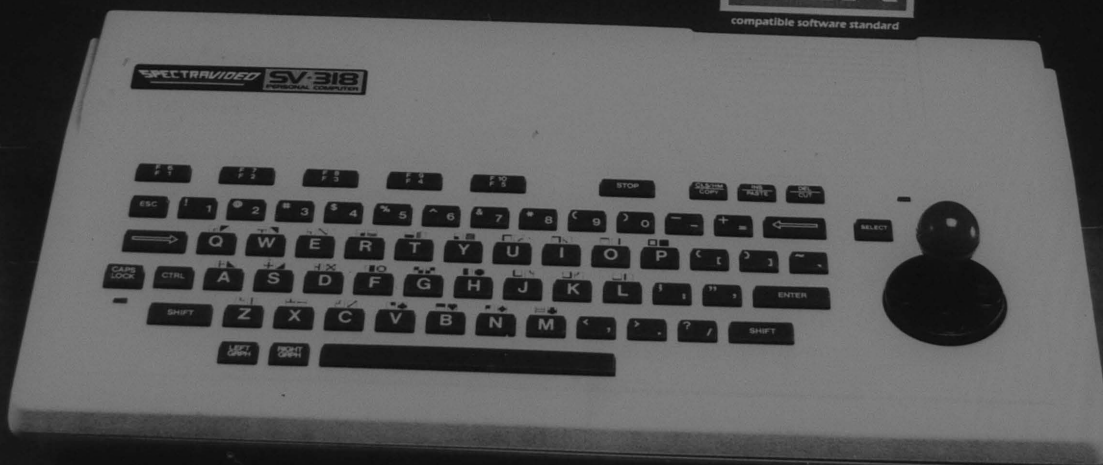
# SPECTRAVIDEO™

**Computer systems you'll grow into, not out of.**

SPECTRA VIDEO INC. 39 W. 37th Street, New York, N.Y. 10018

**MSX**  
compatible software standard

**FOR UNDER \$300.**



All Spectravideo products are represented Nationwide by The Lexington Group. (201) 664-8611  
MSX, Microsoft LOGO, and Microsoft Extended BASIC is a trademark of Microsoft Corporation. Colecovision is a registered trademark of Coleco Industries. CP/M is a trademark of Digital Research, Inc.



## NEWSLINES

### Telephones & Personal Electronics

**NEW YORK**—American Bell Consumer Products Div. may be forced to dial in a new name in the near future. Federal Judge Harold Greene will not approve AT&T's divestiture on Jan. 1, 1984 unless the firm agrees to give up the Bell name and logo. Thereafter, only the local companies will be able to use the Bell name.

However, if American Bell Consumer Products proves to the judge that it has made a "good faith public educational effort" with its name by Nov. 1, 1983, it may be allowed to continue with the name six months after the Jan. 1 divestiture, according to Paula Horii, district manager of media relations for AT&T. "This would allow more time for American Bell to continue a promotional effort to extricate itself from this situation," she told *Merchandising*.

In July, AT&T asked the federal judge to drop the ruling that the firm should provide financial guarantees to its local telephone companies after the Bell breakup. "Although we are appealing one of the six rulings at this time, we have not yet decided if we will contest the name change request," Horii pointed out.

**ATLANTA**—The first Telephone Retailers Association (TRA) has been formed. Over 120 independent telephone retailers have already expressed interest in this organization. Plans to form the TRA were first announced during the June Consumer Electronics Show. Major goals of the organization include setting standards for telephone terminology and quality levels to assist both dealers and consumers in knowing what they are buying.

Telephone vendors will be asked to participate in establishing more uniform descriptive labeling of their products and will be invited to share notes on the future of the industry. The group also plans to prepare information manuals to assist retailers in selling phones and repairing consumer phone products as well as a series of informative brochures to be used as handouts to consumers. Additional plans call for sharing product and sales information so figures will not be biased by individual manufacturer's reports.

The first formal meeting of the TRA is tentatively scheduled to coincide with the January CES Show in Las Vegas. For more information on the association, contact: Glenn Welt, Telephone Retailers Association, 3619 Piedmont Rd., Atlanta, GA 30305, 404/237-2828. Welt is president of American Phone Centers, Inc., A Comdial Co.



Ehninger shows new phone from Hamilton Beach

**CHICAGO**—Hamilton Beach announced its entry into the telephone market at the July Housewares Show. The firm is a division of the Scovill Corp. and a major supplier of small appliances. The line consists of six sku's, including two cordless models. Suggested retail prices range from \$75.98 to \$275.95.

"More telephones will be found in the near future in housewares departments," Thomas Ehninger, director of advertising, told *Merchandising* at the show. "Look at how the personal care products moved first from the sundries department into housewares."

The firm's cordless House 'N Yard model provides a range of up to 750 ft. It offers a two-position volume control, auto redial, battery light indicator and mute switch. A cordless Kitchen Phone offers a range of 250 ft. It has the same features as the House 'N Yard model.

Two slimline desk phones are available in almond. A standard desk phone and a decorator phone with an antique brass look complete the line. All of the phones come with a one-year warranty. Hamilton Beach is shipping the line now.

**ANAHEIM, CA**—The National Mobile Communications Exposition will be held in the Anaheim Convention Center on March 13-15 in 1984. The show will feature major exhibitors and key industry speakers.

"The region from San Francisco to San Diego, including Los Angeles, represents the most active U.S. market for conventional mobile radio products and services, and is widely recognized as having the largest potential for the new cellular telephone industry," noted Bob Gelman, show manager for the Cahners Exposition Group, originators of the M/C Expo '83.



Webcor appoints McInerney sales manager, special markets

**MANAGEMENT MOVES**—John McInerney has been appointed national sales manager of special markets for Webcor Electronics, Inc....American Telecommunications Corp. has named John Forbes vice president of marketing and Gary Petaja to the post of vice president of engineering. They replace Thomas Eisenstadt and Robert Lee, respectively, who have left the company....Lucien Groleau has been tapped as marketing manager for Technicom Industries, Inc. Formerly he was marketing manager for Northern Telecom, Nashville, TN....Code-A-Phone Corp. has named Andrew (Bill) Johnson vice president of marketing. The firm also named David Verch national sales manager.

**UNION, NJ**—A new consumer electronics product organization known as Lipper and Co., Inc. has been announced by Sy Lipper, who made known his resignation as president of APF Electronics Inc. The new company will market such products as telephones, calculators and watches using the Lipco and Elegant trade names. They are geared to mass merchandisers and the premium industry. Examples of some of the products include a cordless phone with a suggested retail of \$79.95 and a one-piece phone which can retail as low as \$9.95.

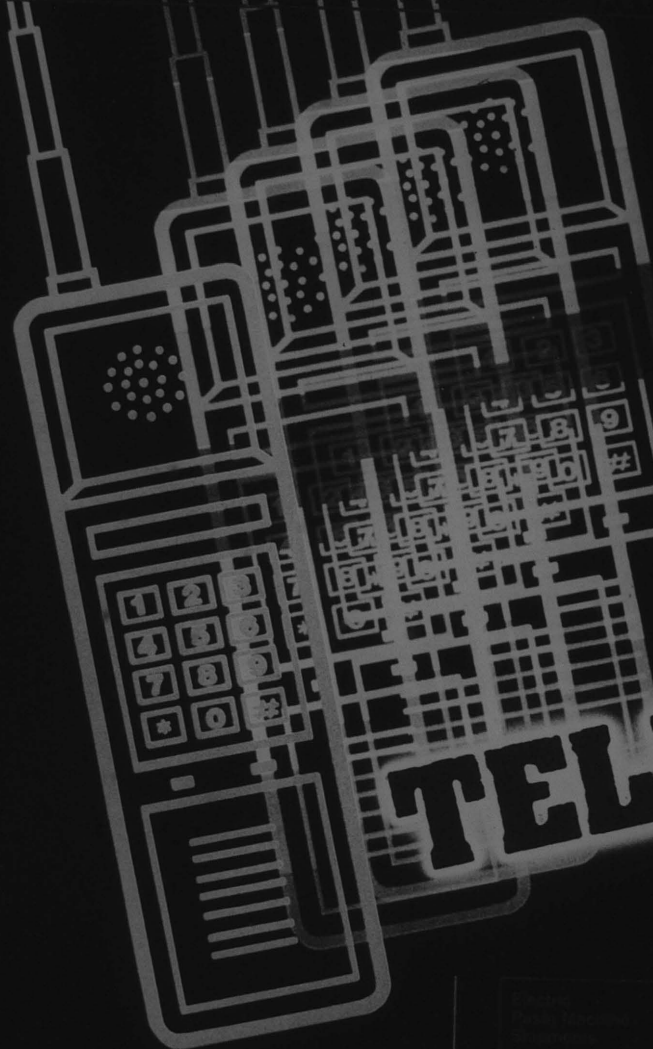
APF was in the industry for 15 years. Now it is existing only as a corporate structure and has ceased operation.

**WELLESLEY, MA**—The market for advanced calculators could be altered completely by the entry of hand-held and portable computers, according to a study by Venture Development Corp. By combining user programmability and calculation features, small computers could in theory meet the needs of all potential users.

How much impact could hand-held computers have on calculators? According to the study, one third of all dealers polled were undecided because hand-held computers are so new a product. Other dealers believe that programmable calculators could be gradually rendered obsolete. At the same time, these dealers believe that the traditional office desk-top calculator, which comprises the majority of units shipped, will not be affected to a significant degree. When asked about the strength of the traditional product, dealers observed that "nothing beats a regular calculator for most office uses." Hand-held computers, on the other hand, were often described as giving owners more features than required.

# Merchandising

Home and Auto Electronics • Housewares • Major Appliances



Dealers dig in  
for a high-profit,  
high-tech  
Christmas selling

## TELEPHONES

Also in this issue:

Computer dealers gear up  
for a frantic fourth quarter

Heat wave sends air conditioner  
sales through the roof

Retailers report rising margins  
on hifi components

Rent-to-own industry cracks  
\$1 billion in volume

Floor care vendors expand  
electronically controlled offerings

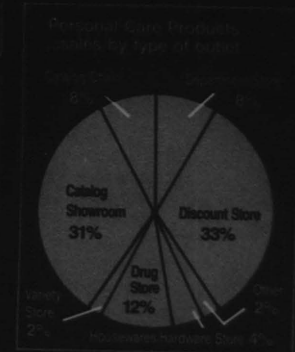
Electric  
Pony Wireless  
Programs  
**+8.9%**



Top Five  
Retail Chains  
for 1990  
**+11.6%**

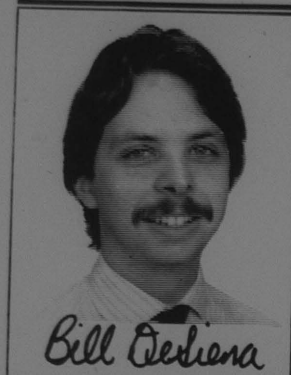
**+6.4%**

**-15.4%**



## 9th Annual Housewares Statistical & Marketing Report

## TRENDINGS IN COMPUTERS



Bill Oerliana

### Start selling software now! Tomorrow might be too late

Now's the time for computer retailers who are not already handling software in significant quantities to jump on the bandwagon. The market, already sizable, is going to get even bigger between now and the end of the year. And stores not in the business by 1984 may be too late.

For one thing, the competition already is out in force. Many stores are dabbling in this profitable product, and some are going so far as to devote themselves to it entirely. Future Computing, the Richardson,

TX, research firm, reports that there are about 300 software-only stores in operation nationally right now. By the end of the year, that number could reach 500. For the long-range planners, these forecasts translate into about 1,500 stores by 1987.

With all this competition, why is it so important for you to join the market? Profit. That's why. With little or none of it left in most home computer hardware, it would be foolish to let potential software sales slip through your fingers.

True, many of you lost your shirt on videogame software last Christmas. But computer software is different. I promise. And you can even put your videogame experience (good and bad) to good use in forming a finely tuned software merchandising plan.

There are a number of points to keep in mind:

Unlike videogames, tonnage doesn't mean 500,000 copies or more. In the computer software area, a mere 70,000 copies might make a hit. For you, this means there is less of a need to buy in large quantities.

Also unlike videogames, there will be a large number of players in the business for the foreseeable future. This does not mean, however, that the suppliers will stay static. Some will, undoubtedly, die off. But they will be replaced, and quickly, by new forces. Such possibilities exist because of the strong two-tiered distribution network already in place. For you, however, this translates into a need to monitor the area very closely.

Pricing will vary tremendously. Until recently, most videogame cartridges started out priced at \$35 to \$40 retail, and dropped as demand fell off. Computer software, which includes game learning, home management, business and applications titles, has come into the store at prices ranging from \$9.99 to into the hundreds of dollars. Throughout most price levels, 30 to 40 percent margins can still be made.

Going more aggressively into the area will mean carrying titles from more vendors. Many retailers will rely less on vendor-provided displays and more on a generic merchandising presentation to increase flexibility with floor and wall space and accommodate different-sized packages easily. Look at any record store.

You can stock software for any system, whether you carry it or not. The software doesn't have to rely on the hardware displayed in another department. For instance, a recent Toys 'R Us ad promoted the fact that the retailer had Apple-compatible software in stock.

Try to design a pilfer-proof department. When software has been displayed with compatible computer hardware, it often gets a home in a locked case. If product is going to be left out for customers to touch and read, the dealer will have to decide what measures to take—such as leaving only the package out to handle—to reduce temptation.

Determine carefully how titles will be chosen. Does the current staff really know enough about computer software to judge which ones will draw favorable word-of-mouth and which will languish on the shelf? It might be wise to organize a team of "experts" from the sales staff, to analyze software as it comes in.

Finally, it should be noted, you should start selling software as soon as possible. Consumers are buying computers now, and the fourth quarter is going to be even bigger.

When these new owners start thinking about buying additional software, the place where they bought the hardware—your store, I hope—is going to be burned into their mind. It's up to you to get 'em while they're hot.

**New Releases  
in Software  
appears on page 36**

## CHANGING THE TYPING HABITS OF THE WORLD!



**brother**

PERSONAL ELECTRONIC PRINTER

**LESS THAN 5 LBS...ONLY 1 3/4" HIGH**

Goodbye, old fashioned typewriters. Hello, to the newest sales and profit opportunity in the electronic marketplace. The EP-20 has been selling out wherever featured.

It's electronic. It's revolutionary. It's the world's smallest and lightest full featured portable. And it operates on batteries or included AC adaptor.

It's so compact it fits easily into the average attache or briefcase.

Compare...the EP-20 is engineered with every portable feature plus many office typewriter functions including a 16 character visual display, automatic correction system, dual 88 character office keyboard, plus a built-in calculator.

Get in on the most important breakthrough in 50 years.

For complete information, write Dept. A  
BROTHER INTERNATIONAL CORPORATION,  
8 Corporate Place, Piscataway, N.J. 08854 / 201-981-0300

COMPARISON OF SIZE  
BETWEEN THE EP-20 AND A  
STANDARD SIZE PORTABLE



BUILT-IN  
CALCULATOR

A special unique feature. Has a clear key, four function keys plus equal key that triggers the calculator to flash the answer on the display. Also gives print-out.



You type an error, correct it, continue typing 16 character visual display lets you proofread copy before it's on the paper.

Complete with  
built-in carrying case...  
you can take it wherever you go...  
fits into an attache case.



# COMPUTERS

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New Releases	
In Software	36
Products	38
Top 10	
In Videogame	
Software	38

**home computer fair and sale**

confusion stops here

software: the heart of a good system

show and tell demonstrations

why don't you?

hudson's computer fair

send a card on how to buy a computer

computers in action

use the computer and hudson's

hudson's

**THE NEW WALL & WALL SOUND & VIDEO**

**ELECTRONIC LIVING WEEK HOME COMPUTER SHOW & SALE**

ATARI HOME COMPUTERS

APPLE HOME COMPUTERS

COMMODORE

IBM

INTEL

MINI

PERIPHERALS

SOFTWARE

WALL & WALL SOUND & VIDEO

**"Financed, Delivered, and Hooked up for just \$117<sup>13</sup> per month!"**

apple

Financial future right now with our 'Apple Family Future' package

Personal growth and family fun

Everything you need to know

Basic Apple Package

STARTER APPLE PACKAGE

schack

**1 Good Reason To Visit Micro Center In May...**

**2 Another Good Reason To Visit Micro Center In May...**

**MORE GOOD REASONS**

3 Better Selection

4 Better Prices

5 Better Service

6 Better Location

7 Better Hours

8 Better Staff

9 Better Selection

10 Better Prices

11 Better Service

12 Better Location

13 Better Hours

14 Better Staff

**MICRO CENTRE**

**0/0**

**ZERO IN ON THE PRICE**

Now when you buy ANY COMPUTER SYSTEM from MICRO CENTRE you can get a special price on a single piece of computer hardware or software. Just select the item you want and the balance in 12 equal payments.

COMPU SHOP

READER-FRIENDLY ADS for the home/business market play down technical specifications and supply the reader with understandable incentives for considering the purchase, such as these five displayed above.

## Cut through computer advertising clutter by looking at competitors' ad messages

By Bill DeSiena, associate editor

**DETROIT**—With the tonnage of computer ads confronting the consumer daily, even a dealer's strongest promotional effort may not be reaching enough of an audience to achieve expected sales levels. Turning this situation around, though, may be as simple as taking a composite look at what competitors' ads are saying to cut through the clutter.

Merchandising has reviewed an assortment of retail newspaper ads hawking computers over the past four months. In addition to coming across some fresh ideas that stand alone, readers will find that computer advertising falls into three camps: one addressing the fear of computer literacy, another stressing convenience of financing and a third fixed solely to offer the lowest-priced product anywhere.

### Ads are reader friendly

A common thread links almost every print ad reviewed below. Much like the computer vendor's efforts to make more user-friendly machines, dealer ads are becoming "reader

friendly" to attract customers.

Many of the ads mentioned are provided courtesy of The National System, St. Louis, MO.

A handful of retailers have steered away from pushing price as the number one selling point. Hudson's department store, Detroit, promoted its computer fair and sale with a full-page ad in the Detroit Free Press.

A fair is certainly nothing new, but the ad made it sound exciting. Two columns of copy were wrapped around a cute little robot, first answering questions for the reader on why he should come to the fair. "Confusion stops here," the first subhead declared.

The ad listed the events scheduled, including home computer and robot demonstrations, a "how to buy a computer" class and sessions on running a computer, the latter of which was run by grade school children in the area. All copy led the eye straight down to five pictures of Atari, Commodore, Epson and Texas Instruments computers; prices were listed.

Micro Center, a computer specialty store, gave the business customer 14

reasons to shop at its location. Each reason was graphically laid out and numbered in a full-page ad to direct the reader to the bottom of the page.

Wall To Wall Sound & Video, Philadelphia, dubbed one week in May "Electronic Living" Week and built a home computer show and sale around it. Celebrating the expansion of its computer departments, the chain ran a two-thirds-page price-oriented ad.

How about using a spokesperson in a testimonial? The Atlanta-based Computer Center stores did that. Pictured above the copy in a full-page ad was a woman dressed in a business suit. "How did I find the best computer for my needs? Easy, I went to the best computer retailer," the headline read. In the same ad, the store ran a banner across one corner of the picture announcing a "20 percent off" sale.

### Some evoke fear

One specialty dealer reminded the consumer regarding computers, "Experience it...or remain in the Dark Ages," right under the store (Continued on page 37)

# EXCLUSIVELY ATARI.

ATARI gives you more support with a new Distributor Network.

Now there's a single source for all ATARI products. All it takes is one phone call to order any ATARI video game system, computer, software title or accessory. Just one call. It's that simple. And it's just one more way ATARI is helping to make your business better.

Ramras Specialties Company, Inc.  
2204 W. Fillmore Street  
Phoenix, AZ 85009  
(602) 254-7121  
Commontron Corporation  
2450 Bell Avenue  
Des Moines, IA 50321  
(515) 244-8233  
Select Brands Distributing Co.  
One Select Plaza  
Kansas City, KS 66103  
(913) 262-0500  
B & W Distributors, Inc.  
11653 Adie Road  
Maryland Heights, MO 63043  
(314) 566-2450  
Boyd Distributing Company, Inc.  
1400 W. 3rd Avenue  
Denver, CO 80223  
(303) 629-7701  
TV & E  
2303 Montana Avenue  
Billings, MT 59103  
(406) 252-7193  
Ryan Distributing  
990 S. 700 West  
Salt Lake City, UT 84127  
(801) 972-4721  
Stepco Electronics  
314 Leo Street  
Dayton, OH 45404  
(513) 224-0871  
Primero Distributing, Inc.  
9837 West 69th Street  
Eden Prairie, MN 55344  
(612) 941-2882  
Williams Distributing Co.  
25 Ottawa S.W.  
Grand Rapids, MI 49503  
(616) 456-1613

Taylor Electric Co.  
1000 West Donges Bay Road  
Mequon, WI 53092  
(414) 241-4321  
Allied Distributing  
1190 Zephyr  
Hayward, CA 94544  
(415) 487-2000  
Mutual Distributors, Ltd.  
3324 Koapaka Street  
Honolulu, HI 96819  
(808) 836-0544  
Blatt Distributing (Games)  
14450 Industry Circle  
La Mirada, CA 90638  
(213) 402-6688  
Alaska Holding Company  
10210 Jackpot Bay Circle  
Anchorage, AK 99502  
(907) 344-9104  
Certified Appliance Distributors  
(Computers)  
2944 East 44th Street  
Los Angeles, CA 90058  
(213) 589-6961  
The Moore Company  
800 N.W. 12th Avenue  
Portland, OR 97209  
(503) 221-1600  
H & H Distributors, Inc.  
19411 66th Avenue, South  
Kent, WA 98032  
(206) 575-1242  
Stewart Distributing  
11000 North Central Expressway  
Dallas, TX 75231  
(214) 691-5555

Trice Wholesale Electronics  
4701 N. Stiles  
Oklahoma City, OK 73105  
(405) 524-4411  
Commtron Corporation  
5626 Bonhomme  
Houston, TX 77036  
(713) 780-2550  
Centex Sales  
610 Lanark, Suite B-101  
San Antonio, TX 78213  
(512) 657-7073  
S & W Distributing Company  
(Video Games)  
5400 McDermott Drive  
Berkeley, IL 60163  
(312) 449-5000  
Cain & Bultman, Inc.  
P.O. Box 2815  
2145 Dennis Street  
Jacksonville, FL 32203  
(904) 356-4812  
Allison-Erwin Company  
P.O. Box 32308  
2920 N. Tryon Street  
Charlotte, NC 28232  
(704) 334-8621  
McDonald Sales Corporation  
5000 River Road  
New Orleans, LA 70123  
(504) 733-6653  
Frank T. Lyon Company, Inc.  
P.O. Box 4408  
65th & Scott Hamilton Drive  
Little Rock, AR 72214  
(501) 562-7600  
Paradies & Company  
4970 Fulton Industrial Blvd., S.W.  
Atlanta, GA 30336  
(404) 691-3000

Anderson News Company (Anco)  
P.O. Box 219  
Florence, AL 35630  
(205) 766-3789  
Almo Distributing Company  
P.O. Box 8787  
7222 Parkway Industrial Center  
Baltimore, MD 21240  
(301) 796-7810  
Goldberg & Company, Inc.  
4377 Carolina Avenue  
Richmond, VA 23222  
(804) 771-5700  
R.P.C. Electronics  
620 Alpha Drive  
Pittsburgh, PA 15238  
(412) 782-3770  
Eastco  
26 Dartmouth Street  
Westwood, MA 02090  
(617) 329-3000  
Almo Electronics Corporation  
9815 Roosevelt Blvd.  
Philadelphia, PA 19114  
(215) 698-4000  
D & H Distributing Company  
2525 North 7th Street  
Harrisburg, PA 17105  
(717) 236-8001  
Chancellor Wholesale  
Distributors  
8 Spieelman Road  
Fairfield, NJ 07006  
(201) 227-4010  
Morris Rosenbloom & Company  
228 South Avenue  
Rochester, NY 14604  
(716) 232-2660

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Share Our Future.  
**ATARI**



PRICE BATTLES have become so fierce that many retailers are wondering which vendors will be left in the low-end computer market after the holidays. Most also agreed that fourth-quarter sales of hardware and software will rebound.

## COMPUTERS

# Dealers re-plan computers in wake of supplier losses

By Bill DeSiena, associate editor

ROCKVILLE, MD—In the wake of heavy operating losses that hit three home computer manufacturers in the second quarter, retailers around the country are rethinking their merchandising approaches to this category. Despite a soft summer selling period, however, many buyers expect fourth-quarter sales of hardware and software will make a strong rebound.

They're backing up this contention by holding and even expanding the number of software titles on store

shelves, awaiting shipment of promised new models and readying demos and working displays.

But these combined efforts will only move product if the stores can remain competitive in the continuing price wars that most dealers expect to fight through Christmas. The battle is so fierce that retailers are wondering which vendors will be left in the low-end market after the holidays. Some reported a definite lack of new vendor programs being shown for 1984, and noted that shipping dates for new products were being pushed back again and again.

### Slump wasn't surprise

The lackluster sales of hardware and software over the summer did not surprise many buyers. "Sales are meeting our projections for the year," noted merchandiser John Kendig, W. Bell & Co., the large catalog showroom chain headquartered in Rockville, MD.

"We did forecast that computer sales would soften through the summer months, in part due to increased outdoor activity by consumers. But the fourth quarter should pick up from current levels," he added. W. Bell stocks Atari, Commodore and Texas Instruments home computers right now. Kendig is presently reviewing whether hardware sku's will be increased from current levels in the near future.

Regardless of his decision, the merchandiser will continue to use manufacturers' demos and maintain working displays through the holidays. "These have consistently drawn interest from first-time buyers, and have helped sell more peripherals with the first purchase," he pointed out. For example, virtually every computer now goes out the door with a program recorder.

"The summer has been on the soft side," echoed Dennis DeFrain, divisional merchandise manager for Hess's department stores, Allentown, PA. Like Kendig, though, he is confident that the fourth quarter will be a boon to computer sales. Hess's carries four brands right now, including Atari, Commodore, Panasonic and Texas Instruments.

Not everyone, however, is willing to give the category the support they have accorded it in the past.

General Electronics, a single-unit video dealer in Milwaukee, has been clearing out its computer inventory over the past 30 days. It's not so much disappointing sales that prompted the store to abandon computers—it was only five months ago *Merchandising* reported that the dealer was downplaying videogames and beefing up its computer selection (see April 1983 issue)—as much as other problems.

"Computers are a pain to handle. Vendors keep changing their models. Pricing competition has become ridiculous in the local area. Meanwhile my video business is terrific," commented David Wallace, general manager.

"We've got more video trade than we know what to do with." Why, he asked, should his salespeople want to push an Atari 800 at \$399 when his cost is \$15 less than that? "There's not much incentive left for them," he

(Continued on page 33)

# Think Pink...turn your profits to black

The Pink Panther will make it all happen. Because this Christmas, he's a video game...*Pursuit of the Pink Panther*. It's a laugh-a-minute, multi-board skill game with the ultimate in state-of-the-art video graphics. Even better, it's available in most major formats—Atari 2600/5200, ColecoVision, Atari 400/800/1200 home computer, Commodore 64 and VIC 20—so you know it'll be a hit.

### Bet on a winner.

Pink Panther is a Probe 2000 game from N.A.P. Consumer Electronics Corporation. We're the video game software specialists and we're out to change the way you look at video games. Because we have the ways to help you do it.

We're a North American Philips Company, the company that pioneered the industry. Lots of companies have come and gone in this business; we've been in it since the beginning. And we're going to be in the forefront of the business for many years to come.

### A full line.

This Christmas we're also offering *War Room*—the game the generals play. *Power Lords*—extraterrestrial battles for control of the universe. And *Lord of the Dungeon*—the consummate strategy game.

### Advertising that works.

Multi-million-dollar advertising and promotion targeted directly at your biggest market—kids—is in the works right now. Designed to bring them right to your store. Television commercials on all the best programs in the top markets. Print ads in the most read books. Theatrical feature advertising, too. And more.

It all breaks September 15th. Make sure you're ready. Talk to your Probe 2000 representative today...or give us a call, toll-free, at 1-800-257-2525.

Then watch pink turn your profits black.

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A NORTH AMERICAN PHILIPS COMPANY

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COMMODORE IS A TRADEMARK OF COMMODORE BUSINESS MACHINES, INC.

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UNITED ARTISTS CORPORATION  
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POWER LORDS—TM & © 1983  
STONGIN-MAYEM INTERNATIONAL

PROBE 2000  
series





# NEWSLINES COMPUTERS

## 47% of dealers conclude specialists are ones to beat

NEW YORK—The main competition to beat for computer sales is the specialty store, according to 47 percent of 300 retailers who responded to a recent study by Newsweek. About 52 percent of the 225 computer specialty stores interviewed said that other comparable stores were their main threat. More surprising, however, was that 33 percent of 75 broader merchandise-based dealers also considered specialty stores to be their main competitors.

Other findings of the Newsweek survey were: Prospective computer buyers are serious shoppers; 70 percent plan their visits to dealers rather than casually walking in, and 83 percent make two to three trips before buying. First-time buyers of computers and accessories for home use spend an average of \$1,800, while business users pay about \$3,750.

In addition, the study found that 44 percent of purchasers correctly estimate the cost of their systems. Thirty-one percent underestimate the amount and 24 percent overestimate. Friends exert the greatest influence on a customer's decision to buy a personal computer (34 percent). Retailers answering the survey said that sales clerks (22 percent), advertising and media (19 percent), children (11 percent), other customers (nine percent), employers (six percent) and spouses (two percent) are less influential.

## Wico won't go whacko; Mattel Toys adds rebates

PROMO PIECES—"My Sticko Won't Go Whacko Because It's A Wico," is the theme of Wico's multi-million-dollar consumer advertising campaign beginning this month. The effort will promote the company's three consumer product lines: Command Control joysticks and controllers; Computer Command hardware accessories for small business and personal computers, and the Boss game controllers. National magazines, prime and fringe network TV, cable TV and spot TV and radio in the top 20 markets will be used. Electronics and computer buff magazines will also be targeted. Mattel Toys has launched a rebate program on software for its Teach & Learn Computer

System (TLC) and the Children's Discovery System Computer (CDS). Effective through Sept. 30, consumers can save up to \$9 on any three learning volumes for the TLC and up to \$12 on any three learning fun modules for the CDS. Additional rebates on further software purchases are available.

## Softsel raises co-op yield; Sega licenses titles to TI

NEWS BITS—Softsel has increased its dealer co-op advertising allowance from three to five percent of the total dollar volume a retailer buys. The increase is effective through Dec. 31. Under

the program, Softsel reimburses 100 percent of the media costs for dealer advertising of any eligible brands, up to the amount accrued in the dealer's co-op fund. The number of eligible brands is now 79.

Under an agreement with Texas Instruments, Sega Enterprises will supply certain videogame software designs for TI to make and market for its home computers. The initial offerings include Congo Bongo, Paramount Pictures' Star Trek and Buck Rogers: Planet of Zoom.

The Einstein Corp. is dropping the Ghost name from its software lines. Its word processing software series will now be



Sega supplies Congo Bongo design to TI

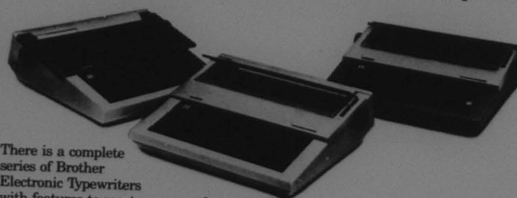
known as the EinsteinWriter, EinsteinLetters, EinsteinSpeller and EinsteinMailer.

# WORK PROCESSORS!



## brother® COMPACT ELECTRONIC TYPEWRITERS THAT CAN FUNCTION AS LETTER QUALITY PRINTERS WITH HOME OR PERSONAL COMPUTERS

The Brother Correctronic 50 is one of a new generation of electronic typewriters for a new generation of consumers. It has the kind of high tech, high productivity features that can process work in huge volumes. And there's no comparable model available today in its price category that provides a greater opportunity for sales and profits.



There is a complete series of Brother Electronic Typewriters with features to meet every need... from the student...to the home...to the office.

### CORRECTRONIC 50 QUALITY FEATURES

- Interfaces with most computer systems
- One line memory correction
- One touch interchangeable cassette daisy wheel letter quality printer
- Interchangeable cassette ribbon
- Repeat typing for all keys and functions
- Super & sub-script
- Express backspace
- Automatic relocation
- Decimal tabulation
- Line indentation
- Impression control
- Built-in handle and lid cover
- 13 cps typing speed
- 13 1/2" paper capacity

BROTHER INTERNATIONAL CORP.  
8 Corporate Place, Piscataway, N.J. 08854

Gentlemen:

Please send me more information about the Brother Series of compact electronic typewriters.

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

## COMPUTERS

# Video Etc. makes use of computer seminars for businesspeople to create new sales

By Debbie Rosenblum, field editor  
DEERFIELD, IL—By inviting only businesspeople to its computer seminars and holding the sessions in a school-type setting, Video Etc. expects to rack up several sales as well as additional exposure for the four-unit chain.

Recent classes provided attendees, most of whom were not customers, with the basic knowledge necessary to make a "smart" computer purchase.

President Sonny Cohen publicized the chain's first-ever seminars of these sort via two media: a letter detailing the program and a page-dominant advertisement in one of Chicago's major newspapers.

### Goals were met

"We felt the seminars were very successful. Our objectives were met," Cohen told *Merchandising*. The participants "all can speak the lingo now. They're comfortable with the things they need to know to make a decision about buying a computer."

Though the Chicago-area merchant had not closed any sales the week following the sessions, he was confident the cash register will buzz as a result. "The sales haven't happened yet. Not officially. It's a little too soon," he commented. But several attendees "have said 'yes I want to buy and I'll call you to set up an appointment to discuss exactly what I need.'"

In an effort to build his client base, Cohen chose to invite mostly people who were not customers, but who worked in the business world. "I come in contact with lots of people in the course of doing business who I know are interested in computers. They're always asking about them. So I looked through my file for people who had given me their cards at various events. For example, one guy I met at a Chamber of Commerce meeting," he noted.

"What we did was offer an opportunity to bring them to a level where they can communicate easily about computers and start thinking about how a system relates to their needs," Cohen said. "We went over the terminology, gave them hands-on experience and showed them some specific applications."

### Promoted seminars

Two weeks prior to the seminars, Video Etc. sent a letter to selected people inviting them "to go back to school for three hours." In addition, Cohen ran a third-page ad in the Chicago Sun-Times with a small section announcing the classes.

Above the featured products was a two-by-two-in. box. In it, small type read: "Notice: Business Seminar. A three-hour hands-on seminar designed to provide you with the tools for deciding how a computer can help your business."

The two media messages garnered 20 registrants altogether. "Both sessions were packed," Cohen reported. "There were 10 terminals set up for the participants, and each was taken."

"I was real pleased with the response. The people from the marketing firm associated with Apple, who assisted us, were surprised at the high turnout. They've

been doing this with other dealers for awhile and none have gotten this kind of response," he said.

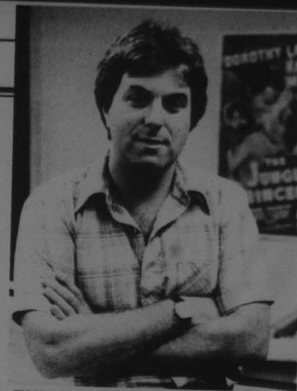
Cohen continued, "I would have been happy with a half a dozen at each seminar. In fact, I was getting nervous when we were approaching 12 because then we would have doubled up and that's not as effective as everyone on their own terminal."

Both the morning and afternoon seminars were conducted by Video Etc. personnel along with the help of the Apple representatives. "Every-

one from all my stores was at the seminar. We rotated," Cohen said.

For \$35, each attendee received an education on computerese as well as on the Apple III. "Our audience was businesspeople. So we wanted them to see what an Apple III, which is really a business-oriented system, could do for them," Cohen reflected.

Participants were also given two Apple Horizons brochures to take home: Apple III, A Beginning and Business Needs and Solutions  
(Continued on page 37)



THE BASIC KNOWLEDGE necessary to make a "smart" computer purchase is what businesspeople get at Video Etc.'s seminars, notes president Sonny Cohen.



## Why the Fuji Magnetic Tape Division has changed

© 1983 Fuji Photo Film U.S.A., Inc., Magnetic Products Div., 350 Fifth Avenue, NY, NY 10118

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It's  
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But  
Our  
help you t  
Bec

MERCHANDISING

SEPTE

## Price deals spark volume, but still confuse customers

(Continued from page 30)

added. Video now draws more margin.

Wallace said that after most of his current Atari, Commodore and Texas Instruments stock is sold out, the store will reevaluate its position. "We'll most likely stick with Atari and its new machines because it seems to have the best direction in the home market."

### Price cuts spur pros, cons

Retailers around the country are counting on prices to continue their

downward spiral due to competitive pressure at both the manufacturing and retailing levels. "Prices are bound to drop even lower in coming months. This usually happens right after we publish the catalog," W. Bell's Kendig commented.

It's not that lower prices are all bad. "Sales do increase when pricing on a computer drops. But the situation is still confusing many consumers because of the giveaways and rebate deals that accompany each model," he admitted. Many custom-

ers will hold off as long as possible before Christmas to make a purchase, figuring they can get a better deal at the eleventh hour, the merchandiser explained.

Other retailers weren't as kind when discussing the current price wars. "There's no way an independent dealer can compete with the major toy chains and mass merchants on home computer pricing. I only hope that these low-priced machines will someday interest consumers in trading up to a more challenging system, and that they will come to us," noted Steven Goldin, executive vice president, ComputerLand, Little Neck, NY.

Goldin is clearing out his low-end Atari and Commodore computers, but

will stock Commodore software for the 64 unit around Christmas. "People bought the computer here, and they'll be able to come back for software," he said.

Goldin isn't worried that he'll lose a lot of trade because of an absence of low-end computer product in his selection. The store's reputation in the business community has resulted in more business traffic. And he'll still promote the Apple IIe as a system for both the home and office. Advertising the ComputerCard, a ComputerLand store credit card co-sponsored by CitiCorp., and the Apple/GECC-sponsored revolving charge card may still generate interest from local home users.

Jon Rodman, buyer for Kay Stores, NJ, is committing to the Texas Instruments, the Commodore VIC 20 and the new Atari computers. "How low can prices go? Not much lower than they are now," he said.

He decided to pass the 64 by, however, when a nearby Toys 'R Us dropped its price to \$199. "My distributor's price was \$209. But I'm looking forward to the arrival of the new Atari 800XL. I think the price will be around \$240, although I'm hoping it will be even more competitive," he went on.

### Will vendors endure?

Whether some home computer manufacturers are in it for the long term has emerged as an issue among dealers. "It will be interesting to see which players stay in the business after the fourth quarter," commented Hess's DeFrain. His reasoning for wondering is that, one firm, Texas Instruments, is the only supplier that has approached him with programs lately.

Bob Borkhead, owner of the Computer Outpost, Chicago, has not seen product promised to him a month ago. "I purposely sold out all of my old Atari stock to make room for the new line. All that's left is a demonstration unit to show software titles. Now I hear the new Atari's won't be in until late this month." Borkhead reported, which will leave him without a low-end line to bring home users into the store.

The store does carry the Franklin ACE and the NEC 8801 business computer. Borkhead's also considering the Coleco Adam, on which the late August shipping date for dealers has been put back to the 15th of this month.

W. Bell's Kendig is not worried about commitment for the time being. At present, he's waiting for the new Atari line, hoping that prices will be maintained by "the same situation that prevailed a few years ago with videogames—light supply and strong demand."

## Ad offers package to first-time buyers

OMAHA, NE—"If all you know about home computing is that you'd like to start...get a Smart Start," an ad in the Omaha Sunday World-Herald told readers. Independent dealer ComputerSmart was advertising the Commodore 64 computer, four weeks of class instruction and a six-month extended warranty for free parts and labor.

The dealer offered one price for all three parts of the deal, which was also payable over a period of 18 months, at an interest rate of about 18 percent.



its name to the Fuji Magnetic Products Division.

Change.

It's one thing you can be certain of in this business.

This May, for instance, the Fuji Magnetic Tape Division introduced a magnetic product (the Fuji Film Floppy Disk) that wasn't audio tape or video tape.

It seemed like a good time to change our name to reflect that we're doing more than just broadening our product line.

Of course, the "new" Fuji Magnetic Products Division will still be selling the same high-quality audio and video tapes which made the "old" Fuji Magnetic Tape Division famous.

But there will be a difference.

Our new name means you can be on the lookout for new products from Fuji; products that can help you take advantage of expanding opportunities in all areas of magnetic media.

Because the best way to keep up with a changing marketplace is to keep ahead of it.



# It took Activision® fun in home

The fun, the imagination, the leadership Activision® brings to home video games now comes to Atari® home computers.

The market for home computer software offers enormous opportunity.

But, it's not without its share of uncertainty and confusion. Success demands just the right mix of outstanding software, effective marketing and solid sales support.

We understand this at Activision. It's reflected in our carefully-conceived plan for home computer software.

One that's based on a long-term commitment to the market. And a dedication to maintaining the high level of graphic and audio excitement you see in our video games.

Our first home computer software certainly lives up to these standards.

We're introducing two of our best-selling hits: River Raid™ and Kaboom!®.

Both give you the advantage of being pre-sold titles that already have a tremendous following. Both are classics and have sold over a million units for the Atari 2600 System.™ They're the frontrunners of our new Activision releases designed to take full advantage of home computer capabilities.

**Kaboom!®, the lightning-quick game of catch with buckets and bombs.**

It all seems so simple.

The Mad Bomber drops the bombs and you try to catch them

in your bucket of water.

But the faster he keeps dropping bombs, the more you find yourself driven to meet the challenge, driven to finally succeed.



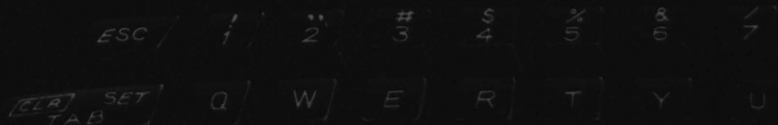
That's the idea behind this 1982 Arcade Alley award winner for Best Audio and Graphics.

Kaboom! for Atari

home computers offers head-to-head competition.

One player gets to drop the bombs, the other player tries to catch them.

And it all happens to an ever-quickening rendition of the 1812 Overture.



# to bring out the computers.

It's easy to see why Kaboom!, designed by Larry Kaplan and adapted by Paul Willson, is a natural choice for home computer software.

**River Raid," the battle adventure up the "River of No Return."**

Nothing comes close to the tremendous excitement generated by the introduction of Carol Shaw's River Raid.

It immediately soared to #1 on the Billboard and Cash Box charts. And for good reason.

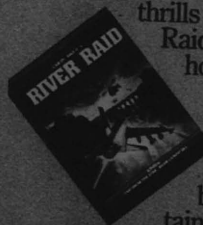
You fly a low-level sortie up a treacherous winding river.

Survival hinges on your reflexes, sensitivity and strategic savvy.

The brilliant graphics, explosive action and ever-changing chal-

lenge of "making it up the river" has captured the imagination of the gaming public.

And now all the white-knuckle thrills packed into River Raid come to Atari home computers.



There are hot-air balloons, tanks and a realism in the river banks and mountains that makes

this software nothing short of spectacular.

There are even game variations that give advanced players a chance to bypass easier sections of the river and get right to the toughest parts.

Put it all together, and you've

got one explosive piece of computer game software.

**The kind of marketing that gets noticed.**

High visibility is the watchword for our marketing.

It's something we've proven time and time again with our well-conceived support for video games.

Now, for home computer software, we've got a complete package designed to get the attention of Atari home computer owners.

It includes television, radio, spread and full-page magazine ads, hard-working point-of-purchase and more.

It's just the kind of thorough, tight-knit game plan we're known for.

See your Activision Sales Representative for details.



## ACTIVISION

## COMPUTERS

## GAMES

ABRACADABRA, TG Products. Atari series-compatible. Available now. Suggested retail \$44.95.

BUG BLASTER, Softsync. Commodore 64-compatible. Available third quarter.

COMPUTER FOOTBALL STRATEGY, Avalon Hill. Atari series-compatible. Available now. Suggested retail \$16 for cassette, \$21 for diskette.

COSMIC GORILLA, Softsync. Com-

modore 64-compatible. Available third quarter.

DROIDS, TG Products. Atari series-compatible. Available now. Suggested retail \$44.95.



EYES, Roklan. Atari series-compatible on cartridge. Available third quarter. Suggested retail \$44.95.

HARD HAT MACK, Electronic Arts.

Apple II series-compatible. Available now. Suggested retail \$35.

ORCA ATTACK, Thorn EMI. Atari 400/800-compatible on cartridge. Available third quarter.

OZZY'S ORCHARD, TG Products. Atari series-compatible. Available now. Suggested retail \$44.95.

PARIS IN DANGER, Avalon Hill. Atari 800/1200-compatible on diskette. Available now. Suggested retail \$35.

PARTHIAN KINGS, Avalon Hill. Apple II series-compatible. Available now.

PRISONER 2, Eduware. Atari 800/1200-compatible on diskette. Available now. Suggested retail \$39.95.

ROBBERS OF THE LOST TOMB, Timeworks. Commodore 64-compat-

ble. Available second half. Suggested retail range from \$21.95 to \$29.95.

ROCKBALL, Roklan. Atari series-compatible on cartridge. Available third quarter. Suggested retail \$44.95.

SUPER COBRA, Parker Brothers. Atari series-compatible. Available in November.

T.A.C., Avalon Hill. Apple II series-compatible. Available now. Suggested retail \$40.

## LEARNING



CRYPTO-CUBE, DesignWare. Apple II-, Atari series-, IBM PC-compatible. Available now. Suggested retail \$39.95.

DUNGEON OF THE ALGEBRA DRAGONS, Timeworks. Commodore 64-compatible. Available now. Suggested retail \$24.95.

HOW TO PROGRAM IN APPLE-SOFT BASIC, Hayden. Apple II series-compatible. Available now. Suggested retail \$49.95.

MEMORY MANIA AND MAXWELL'S DEMON, Gentry Software. Atari series-compatible on diskette. Available third quarter. Suggested retail \$14.95.

PYRAMID PUZZLER, Roklan. Atari series-compatible on cartridge. Available third quarter. Suggested retail \$44.95.

READING FLIGHT, Roklan. Atari series-compatible on cartridge. Available third quarter. Suggested retail \$44.95.

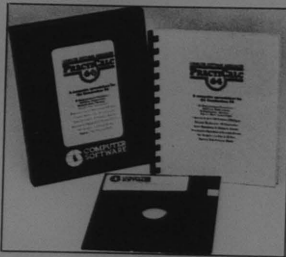
## HOME MGT.

BUSINESS SYSTEMS, Timeworks. Commodore 64-compatible. Suggested retail for each of seven programs is \$89.95.

CHECK EASE!, T & F Software. Commodore VIC 20-, 64- and Atari series-compatible. Available now.

COMPUTER MECHANIC, Softsync. Commodore 64-compatible. Available third quarter.

PERSONAL ACCOUNTANT, Softsync. Commodore 64-compatible. Available third quarter.



PRACTICALC 64, Computer Software Associates. Commodore 64-compatible on cassette or disk. Available now. Suggested retail \$54.95.

SOFTSYNC TOOLKITS, Softsync. Commodore 64-compatible. Available third quarter.

WORDVISION, Bruce & James. Commodore 64-, IBM PC-compatible. Available now. Suggested retail \$49.95.

## "In two months, kids will want a Tomy Tutor.™ In three months, you could be sorry if you don't."

In just a couple of months, Tomy's new easy-to-use computer will hit the market. And you could really profit. As the third largest toy company in the world, Tomy knows kids. But the Tomy Tutor is not a toy. It's a real 16 bit, 16 K RAM computer that just happens to do the things kids want a computer to do.

Like drawing. 16 vivid colors to draw with. Four sprites to animate the pictures. All built-in.

Like playing games. Exciting arcade-like play of games borrowed straight from the arcades. Locomotion, Jungler,



Colorful animated drawings created by the user



Exciting arcade games like POOYAN™



Challenging learning games like CAR-AZY RACER™

Pooyan, a whole line of software cartridges (including educational games), joy sticks and joy controllers, all sold separately.

Like programming in BASIC. And BASIC is built-in, too. In fact, the

Tomy Tutor has more of what kids want in a computer built right into its memory. Something parents will like when they're pricing computers.

And there's more. Our peripherals add on to your sales. Besides the joy sticks and joy controllers, Tomy offers a Data Recorder for saving programs.

And soon, an adapter which makes the Tomy Tutor compatible with most Texas Instruments cartridges.

How can they resist a 5 day free home trial? Until December 31, 1983, your customers can try the Tomy Tutor for 5 days—free. No risk for them. No risk for you.

Or our advertising. Ads using Sarah Purcell of *Real People* fame to take the mystery out of the computer. And bring people into your store.

How can you resist our limited distribution rights? We're being very choosy about which stores will carry the Tomy Tutor. And when we limit our distribution, you profit.

So get the first-time customers. Get the Tomy Tutor. Call us at 1-800-421-7384 (in California, 1-800-421-8496) for the name and number of the manufacturing representative in your area. You won't be sorry if you do. And in three months, you could be very sorry if you don't.

\* © Konami Industry  
\*\* © 1983 Wordwright

# TOMY TUTOR™

© 1983 TOMY CORP  
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# Computer ads urge parents to give grads 'head start'

(Continued from page 28)

logo at the top of the page. The four-location Computer Concepts, Baltimore, also sells video equipment.

Other dealers are aiming this approach at parents. The Bay department store, Toronto, ran a full-page ad for the Commodore 64. To promote a package the buyers had put together, the store placed a young teenager behind the 64 system, under the headline "The Commodore 64 gives kids a head start on tomorrow."

Schaak's Digital Den, based in Minneapolis, told parents to give their graduates "a head start. Give them the gift of computer literacy." Pictured in this particular ad was a student attired in cap and gown, leaning over the TI-99/4A. "A computer is a catalyst for achievement," a subheading added.

Even Sav-On Drugs headlined an ad for TI's computer, "Entertainment and learning for the whole family." Promoted was the 99/4A at \$89.95 after the \$50 rebate.

A group of dealers directed their appeal toward the potential buyer who might be postponing a purchase because he views computers as too expensive. Extending credit, as a result, is gaining popularity at the dealer level.

## Dealer holds class away from his store

(Continued from page 32)

Seminar and Buyer's Guide. "The seminars were almost a substitute for reading through this," Cohen acknowledged. "The brochures, however, are great reinforcement for everything they learned."

### Used a hotel

To create a learning atmosphere vs. a selling environment, Cohen held the seminars at a Sheraton hotel. "We had a quiet room where we could control the lighting and have fresh coffee and fruit brought in during breaks," he said.

"I promised people in the letter this would be an educational experience, not a sales pitch," Cohen said. "That's why I held the seminars out of the store—so people wouldn't have to come to where we sell."

Since the sessions, "I've been in touch with everyone who came. We sent each a questionnaire—brief and to the point. I've also talked with a few people," he noted.

Based on the success of the classes, "we'll definitely do them again," Cohen said. "Right now, we're working on a schedule."

This was the first time in five years that Cohen conducted a seminar. "I ran one when I started selling Apple. That covered a whole range of applications to help people figure out why they needed a computer," he recalled.

Cohen admitted, however, the long lapse was a mistake on his part. "I think I blew it. We should have had seminars between then and now. But it's never too late to get involved," he maintained. "And it's such a good and efficient way to communicate information."

\$117.13 per month," putting this figure in black-and-white for the reader.

### Zero in on savings

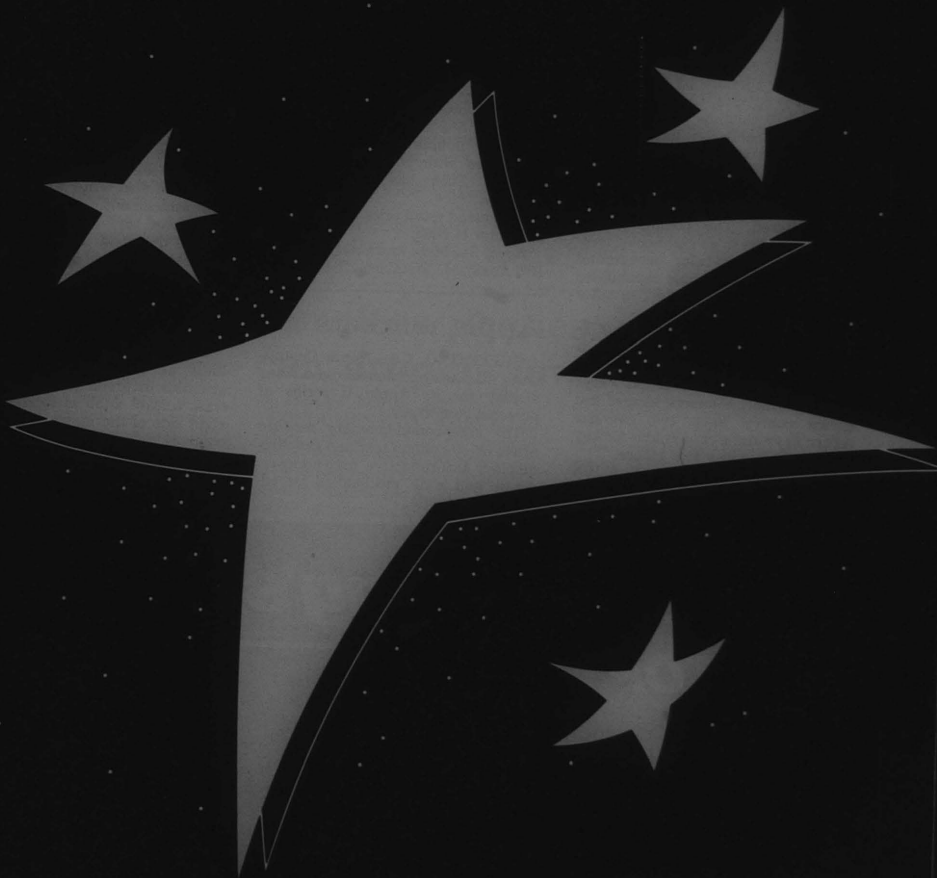
One of the most eye-catching messages in this vein was a sixteenth-page ad from the CompuShop chain, Atlanta. A giant zero surrounded the headline "Zero in on our new interest-free financing" plus accompanying copy. The purchase of any system entitled the buyer to finance it for an entire year without paying any interest. Twenty percent down was required and the balance was due in 12 equal payments. The store noted at the bottom of the ad that the offer was based on the manufacturer's suggested retail price and

was subject to approval.

Price competition, particularly in the home computer market, is still intense as reflected in recent ads. As part of its Independence Day Sale, the Listening Booth, Philadelphia, advertised the Commodore VIC 20 at \$88, the Atari 400 at \$99, the 800 at \$299.95. Software prices, with few exceptions, seemed to hold the line. However, that took place two months ago.

A ComputerLand dealer in La Mesa advertised a free three-day/two-night holiday at a local beach resort for every purchaser of an Apple IIe by a certain date. Toys 'R Us ran a national ad a few weeks ago, running the Atari 800 at \$98.84 after the rebate. The VIC 20 was priced at \$89.84.

# H O T H I T S



*Our star hits of the year are lining up for Christmas in a spectacular Holiday Promotion. Don't miss it!*

*Details coming soon...*

## C R E A T I V E S O F T W A R E

© 1983 CREATIVE SOFTWARE, A DIVISION OF ASCI, INC.

## COMPUTER PRODUCTS

### Discwasher adds suppressor, disk, cassette drive cleaners

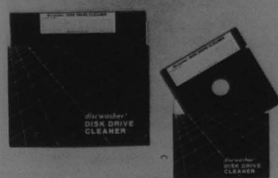
COLUMBIA, MO—Among the computer accessories from Discwasher are a powerline/monitor/protection device, disk drive and cassette drive cleaners.

The two-stage, surge/spike charge suppressor has both EMI and RFI filtering. The device prevents surges of electricity in the power lines which can erase the program in the computer or damage the unit itself. It comes either as a wall unit which plugs into

the wall socket or as a power switch with five-ft. cord.

The nonabrasive disk drive cleaner uses a fiber grid cleaning system to dislodge and collect foreign matter from drives. In the form of a cleaning disk, it needs no fluids and is simply loaded into the device like any ordinary disk. In the 5¼-in. format, the product lists for \$24.95; the eight-in. retails for \$29.95.

For cassette players, Discwasher's



Discwasher drive cleaner

computer cassette cleaner slips directly into the recorder and is designed to clean the drive head within 15 seconds. The cleaner is nonabrasive and uses no alcohol or fluids. For capstan pinch rollers within the cassette player, Discwasher is offering a cassette drive mechanism cleaner. Both are packed together for a suggested retail price of \$24.95.

Discwasher, 1407 N. Providence Road, P.O. Box 6021, M, Columbia, MO 65205.

### Loran introduces 5¼-in. floppy disks

WARREN, PA—Loran has added 5¼-in. floppy disks to its lineup of computer cassettes.

The soft-sector floppy disk initially is packaged in 10-packs and two-packs in the single-sided, double-density version, or 48 tracks per in. (TPI). A storage notebook will be sold with selected 10-pack purchases as a special introductory offer.

Each disk features a full lifetime warranty, barring any misuse by the purchaser. The disks also offer mylar hub rings to eliminate slippage and seating problems.

The company is scheduled to release double-sided, double-density disks at 48 and 96 TPI, and a single-sided, double-density version at 96 TPI this month.

Loran, 38 Clark St., M, Warren, PA 16365.

### Royal launches computer with 64K RAM, Z-80 card

WINDSOR, CT—Royal Business Machines has entered the personal computer market with the Alpha-tronic.

The computer includes a Z80 microprocessor with 64K RAM and 32K ROM. The unit offers built-in interfaces to connect a cassette recorder, disk drives and Centronics-type printers. An RS-232 interface connects printers and other peripherals with a power supply built right in.

Screen display formats handle a choice of 80 columns by 24 rows, 80 columns by 16 rows, 40 columns by 24 rows and 40 columns by 16 rows. A built-in CRT controller, interrupt controller, direct video, composite for a black-and-white monitor and an antenna input for both black & white and color TV via RF modulator are also featured. The computer also provides access to an eight-color foreground and eight-color background display and semi-graphic capabilities of 160 by 72 pixels for CRT monitor and 80 by 72 for TV.

The keyboard houses a built-in Microsoft and BASIC interpreter, a 79-character user-friendly panel with six programmable function keys (ASCII format), a numeric keypad and cursor control keys, two oversize return keys and a card holder for key function references at a glance.

The user can also purchase a 16K ROM cassette module which plugs into the top side of the terminal



Royal personal computer

(under the removable cover) for optional game and tutorial software, and two 5¼-in. disk drives. The stackable double-density drives include one with controller and one without. Each has 320K storage capacity.

Suggested retail price on the Royal computer is \$695.

Royal Business Machines, 500 Day Hill Road, M, Windsor, CT 06095.

### Androbot intros F.R.E.D. under \$300

SUNNYVALE, CA—F.R.E.D., a tabletop version in Androbot's family of personal robots, has been introduced for under \$300 suggested retail. This robot can be operated by using a home computer or by a separate remote infrared controller, thus broadening its use to consumers who don't own a computer.

When placed on a tabletop or flat surface, F.R.E.D. can perform any series of movements without tipping over. His mechanical sensors automatically tell him to avoid edges. The robot can also write with a drawing pen attachment, executing precise renditions of complex computer shapes designed on the screen, the firm said.

Packaged with F.R.E.D. is a mini AndroWagon, enabling him to transport small items from room to room. Planned options, including an accessory arm, are currently under development. As with predecessors B.O.B. and Topo, F.R.E.D.'s basic design allows for expansion via future software, such as a voice synthesizer for user-programmable speech, the company added.

Androbot, Inc., 1287 Lawrence Station Road, M, Sunnyvale, CA 94086.



Androbot's F.R.E.D.

### Apple markets monochrome display

CUPERTINO, CA—Apple Computer is marketing a monochrome video display for its Apple II series of personal computers.

The style-complementary monitor offers an 80-column text and graphics display, anti-reflective high-contrast screen and a tilt mechanism for adjusting its angle.

Its 12-in. screen displays up to 24 lines of text and high-resolution graphics in green phosphor. A contrast control knob is located on the right side of the monitor case. Other controls include vertical hold, vertical amplitude and brightness. Video cables provided with Apple II series computers work with the monitor.

The Monitor II lists for \$229.

Apple Computer, Inc., 20525 Mariani Ave., M, Cupertino, CA 95014.

### Anchor prices modem for the masses

LOS ANGELES—The Volksmodem from Anchor Automation, being marketed at \$69.95, can be used with a variety of different computer makes and models.

Customers can adapt the modem to the computer terminals by purchasing an adaptor cable specifically designed for their machine. The product connects between the terminal and the user's ordinary Touch-Tone phone.



Volksmodem for \$69.95

Anchor Automation, Inc., 6913 Valjean St., M, Van Nuys, CA 91406.

### Fuji brings floppies into U.S. market

NEW YORK—Fuji Photo Film USA, Inc. has introduced two lines of floppy disks to the American market.

The FD (eight-in.) and the MD series (5¼-in.) use the firm's RD binder system, which allows superior performance after 10 million passes, under environments ranging from 5°C. at 80 percent humidity to 40°C. at 80 percent humidity.

Disks come in single- and double-sides and densities. The 5¼-in. family has a version with 96 tracks per inch.

Fuji Photo Film USA, Inc., Magnetic Tape Division, 350 Fifth Ave., M, New York, NY 10118.

## Merchandising's TOP 10 TEN

... in videogame software

	Last month's position	Months on chart
1. Centipede (Atari)	2	6
2. Keystone Kapers (Activision)	—	2
3. Q*Bert (Parker Brothers)	—	1
4. Enduro (Activision)	1	3
5. Ms. Pac-Man (Atari)	3	7
6. Kangaroo (Atari)	—	1
7. River Raid (Activision)	5	7
8. Robot Tank (Activision)	10	2
9. Pitfall (Activision)	8	7
10. Frogger (Parker Brothers)	4	6

# A GRALLA PUBLICATION **Merchandising**

OCTOBER 1983

**Home and Auto Electronics • Housewares • Major Appliances**  
THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

## **PORTABLE PORTABLE PORTABLE PORTABLE POWER**

**Small computers offer big potential to:**

Also in computers:

- Team Electronics realizes a 32% profit margin in computers
- Dealers face tougher times selling profitable software
- Department stores go high-end with Intelligent Electronics
- Growing teen market could drag down software prices

**hit new price points**

**solve old problems**

**sell more software**

**build profitability**

Also in this issue:

- Refrigerator rebound moves top-of-the-line goods
- Videocassette retailers face losing product control
- Federated Group boosts phone sales 20-25% per month
- Housewares dealers prepare for a strong fourth quarter

**Understanding your bank can maximize borrowing clout**



## OVERVIEW

# Marketing mavens portend better times for computers

Retailers take heart. Signs of change are coming out of the computer industry this fall that should point to a better, more orderly market for you in the months ahead.

On page 31 we launch the latest in our line of special *Merchandising Computers* sections. In this edition, our editors take a look at a number of retailers who have succeeded in making order (even profits) out of chaos. We also talk about what a number of manufacturers are doing to help the dealers. And this is where we find much that is encouraging for the long term.

In the past few months, many of the computer manufacturers that have had their share of problems this year have taken a change of tack. Now at the helm we find a new breed of leader—at least for this industry—the marketing executive.

Atari has drawn its new talent from Philip Morris, Texas Instruments from Procter & Gamble and Apple from PepsiCo. What these people can be expected to bring to the party is a new emphasis on marketing, a discipline that has been all too scarce in the personal computer industry.

Among the effects you should feel are products that are developed for a particular group of consumers. Instead of having a computer launched on the basis of its specs, and then expected to seek its own market, units of the future must be designed with someone in mind.

Is it for the home, the office or the classroom? Should it be sold to the uninitiated or those who have some computer background? These and other crucial questions have to be answered before the product is introduced, not after it hits the retail shelves or (what's worse) after the consumer gets it home.

Although it's unlikely that the industry will temper its breakneck pace any great deal in the near future, time-honored practices such as focus group sessions and maybe even some test marketing will help the manufacturers fine-tune their units before they hit the retail outlets.

Along with this will come targeted advertising and promotions that are designed to position the product properly in its market. These should leave no question about what the computer can do and what kind of consumer needs it can fill.

More rational distribution should be another side effect. You know your customers. But how can you pick from among the dozens of available systems those that they need? Which ones complement the other merchandise you carry? If the marketers do their jobs, you will be getting more help in answering these difficult questions.

Finally, products should make their debuts as announced. The days of the phantom computers that appear at the CES and are never seen again must come to a close. Models promised for fall delivery must hit the dealers in time to generate fourth-quarter business.

The results of all this should be less reliance on pricing to move the product, retailers with an easier (although

still challenging) job to do and satisfied consumers who won't bad mouth the industry into oblivion after they do make a purchase.

### They did it in video

True, the computer industry is breaking all records in creating chaos. But it is not without its parallels.

Not long ago, for example, we were covering much the same type of battles raging in the video market. Why can't there be a single format? How can I survive these price cuts? Can the

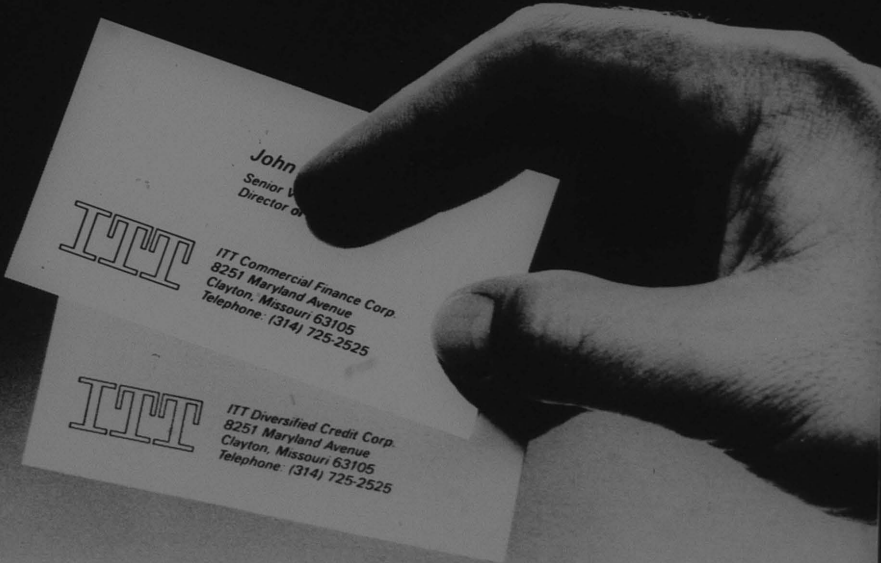
industry exist with software rentals? Does the public really want or need a VCR in the first place?

All these questions have been answered, at least to the point where retailers are no longer tearing their hair and threatening to get out of the business altogether. And if the courts and the legislatures can resist the temptation to tamper with success, the video industry should continue to function as a profitable entity with a very bright future.

We predict the same will occur with computers. It's not going to happen overnight, but the signs of change are visible. The vendors that have brought you so much promise, but so much grief, are going to do so much better in the future.



## We Changed Our Company Name. But Kept Our Reputation.



In the life of every successful company, there comes a time to take a good look at the company name.

At ITT Diversified Credit, we felt a real need for a name that tells business people just how broad our scope of commercial financing services has grown. Floorplanning, secured lending, and asset-based financing have built our reputation over the years.

But recently we've expanded our services. We now provide on-site inventory inspections, inventory control systems and documentation support.

And we offer a proven, easy-to-use Dealer Data Processing System, complete with quality hardware, dealer management software and

training for your employees.

So, the time has come to change our name from ITT Diversified Credit to ITT Commercial Finance. Now you can think of us as your resource for many commercial finance services.

Call us at 1-800-325-9590. You'll find that even though our name is different, our reputation for excellence is still the same.

# ITT

Commercial Finance Corporation  
8251 Maryland Avenue  
St. Louis, MO 63105  
314/725-2525

Merchandising Computers  
page 31

## Dealers: don't fail to target burgeoning education market

One area that many computer retailers are failing to address is the burgeoning education market. Every community has elementary and secondary schools that are either computerizing or hovering on the brink. And if there are colleges, universities or business schools of any type in the area, so much the better. Perhaps the best thing about selling to the education market is that the sale does not stop at the school. The potential to equip a student's home or dorm room with the same type of unit he's using in class can present your store with some tremendous opportunities.

Getting your product in the classroom is not as difficult as it might at first seem. Most educators know just as little about computers as the average consumer. The difference is that they are more interested. Approaching a school, you should find, if anything, a most receptive audience.

Many computer manufacturers are addressing the education market with great force. In most instances, they are doing this through their local dealers who can provide the support a school will need. For you, the dealer, this spells opportunity.

### Potential is enormous

Schools of all kinds, from kindergartens on up, are all rushing to computerize. This can produce a wide range of hardware sales. Probably the most popular type of computer being used in schools is the more expensive personal unit by firms such as Apple and Radio Shack.

But this is, by no means, the entire market. For younger children, a less-expensive product by, say, Commodore or Atari will fill the bill.

For specialized courses at the secondary or college levels, a handheld unit might suffice. And the new generation of portable units are being aimed right at the student in many instances. Why shouldn't their teachers and schools join in?

As for software, the sales potential is endless. Almost everything but pure games will find some sort of application in the classroom. And even game titles will benefit if the in-school computer generates a few sales to the students themselves.

Which brings up another important point. When students have either elected or been obliged to use a certain computer in the classroom, they are more than likely to stick with the unit they know if they buy one for the home.

One industry source estimates that every computer in the classroom can generate as many as five for the home. So the potential is substantial.

What's crucial here is that the students should be aware that it is your store that is supplying their school. Chances are, many already know you as their "back-to-school" headquarters for calculators, typewriters, etc.

There are some obvious ways of getting this information across. A well-designed, unobtrusive sticker on the hardware can be a constant reminder of the computer's source. It's also easy (and quite inexpensive) to take out ads in student publications such as the newspaper or yearbook.

Or, if you have the resources to get

more heavily involved, chances are good that you can strike some sort of deal with the school that will allow your store to help with the students' computer education. Many high schools have computer clubs that would be happy to find a sponsor, or at least a guest lecturer who will keep them abreast of the latest goings on in the industry.

In short, the potential is there. With more than 40 million children in school, this is no market to ignore. It's your job to make the most of it. ●

This is the last Trendings column that I will write for *Merchandising*. Following this issue, I will be joining a public relations firm with accounts responsibility in the toy and game industries.

I would like to thank everyone in the areas I have covered—housewares, personal electronics and computers—for making my 3½ years at *Merchandising* a most pleasurable and rewarding experience.

Replacing me as computer editor will be Tricia Monahan, formerly an editor with Bank Systems & Equipment, another Gralla Publication. I trust you will give her the same time and support that you have always afforded me.



Bill Berlina

## Only MERCHANDISING Gives You Complete, Up-To-The-Minute Coverage Of The Home/Auto Electronics Industry — Plus Exclusive Extras All Year Long

To find out the latest industry news, there's no better source than the latest issue of *MERCHANDISING*. We report on new trends and developments, new products and forces which might have an effect on the industry, including government actions, legislation, etc. And, via the regular Trendings column, store operations features and retailer interviews and round-ups, you'll stay on top of current merchandising, sales, promotion and display techniques.

### MERCHANDISING's Exclusive Features Keep You Fully Informed

*MERCHANDISING* keeps you informed throughout the year to give you a complete knowledge of the industry. That includes the Annual Statistical & Marketing Report, a full report on the year's product shipments, appearing in the March issue; the Annual Consumer Survey in July, based on 2,000 consumer interviews, probing their buying plans and purchasing patterns; and the Supplier Directory & Product Guide in November, a comprehensive reference guide to all product categories and their sources.

**Merchandising**  
Your Source For Home/Auto Electronics

**Computers Aim Straight At The Masses**

**DAD Now From The**

**ELECTRONICS HIGHLIGHTS**

**61st ANNUAL STATISTICAL AND MARKETING REPORT**

**VIDEO**

**VIDEOCASSETTE RECORDERS SHIPMENTS BY TYPE**

Model	1982 Sales (\$M)	1981 Sales (\$M)	% Change
Total	477	281	+71.7%
Portable VCR	1,582	1,047	+49.5%
Deck VCR	1,582	1,047	+49.5%

**VIDEOCASSETTE RECORDERS SHIPMENTS BY FORMAT**

Model	1982 Sales (\$M)	1981 Sales (\$M)	% Change
Total	477	281	+71.7%
Portable VCR	1,582	1,047	+49.5%
Deck VCR	1,582	1,047	+49.5%

**VIDEO CASSETTE SHIPMENTS BY TYPE**

Model	1982 Sales (\$M)	1981 Sales (\$M)	% Change
Total	477	281	+71.7%
Portable VCR	1,582	1,047	+49.5%
Deck VCR	1,582	1,047	+49.5%

**PRE-RECORDED VIDEOS BY FORMAT**

Model	1982 Sales (\$M)	1981 Sales (\$M)	% Change
Total	477	281	+71.7%
Portable VCR	1,582	1,047	+49.5%
Deck VCR	1,582	1,047	+49.5%

**The complete guide to retailing COMPUTERS offers tips on:**

- how to design and lay out a department
- where to turn for software
- what manufacturers will do to help

**66.8%**

**22.6%**

**13.5%**

**4.6%**

# Merchandising COMPUTERS



30-40 PERCENT MARGINS are realized on computer system sales at Today's Computer leased departments. Unit above is at Strawbridge & Clothier's flagship store in downtown Philadelphia.

*Dept. store reputation helps:*

## Leased outlets nab high-end sales through direct marketing efforts

**Anthony Rutigliano, section ed.**  
PHILADELPHIA—Backed by an outside sales force and a team of consultants and educators, Intelligent Electronics is moving high-priced business systems out of unlikely outlets—department stores.

## Retailers hold line on portables, think market is limited

**By Carmine Angioli, contrib. editor**  
NEW YORK—Faced with a growing array of heavily promoted products, retailers are still viewing the portable computer category with skepticism.

Many have not yet begun to carry the products and those that have say that the market is so narrow that product sales have been somewhat disappointing. The most optimistic retailers interviewed by *Merchandising* see the product as an accessory item for businesses that already have systems, engineers and other business people who need computer portability, and well-heeled students.

(Continued on page 34)

**The Broadway revamps program**  
Remodeled departments, a huge expansion of inventory and a sharpened personnel training and hiring program underline the commitment to computers at The Broadway. Read all about the 40-unit chain's plans on page 33.

**Compatible systems set for Fall debut**  
Computers previewing the MXS standard operating system should hit the market this fall. More will be seen at the Winter CES for a launch some time in 1984. If you're tired of incompatibility, see page 38.

**Plummeting prices hurt add-on sales**  
Low-price computers have become impulse items drawing less well-heeled customers. This already has started eating into the add-on sales that have made the category profitable. See page 36.



**Activision, Imagic release software**  
A spate of new titles for the low-end computer market is being released by two of the giants in videogames: Activision and Imagic. New introductions priced from \$25-\$35 are previewed on page 34.

*Computer sales hit \$46 million:*

## Team snares 32% profit by emphasizing systems

*By Lee Rath, editor*

MINNEAPOLIS—A profit margin of 32 percent is being realized by Team Electronics' computer departments where the emphasis is on selling complete systems. Roughly 50 percent of the 93-unit chain's anticipated \$92 million volume this year will be done in computers.

According to Team's top executives, a system sales approach preserves profits. Offering systems lifts Team salespeople off the pricing battleground into a safer zone where they can focus on solving customers' problems.

Although Team franchisees are free to sell whatever they choose, Team Central purchases and promotes computers by Apple and Atari; Epson has just been added to the lineup.

[Editor's Note: Team Electronics stores are franchised by Team Central, Inc. but are locally owned and operated.]

### 200 titles stocked

The average store carries 200 software titles, most of which are sourced from the national distributor SKU under a program kicked off this fall.

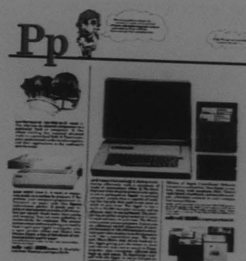
While Team has not given up on videogames altogether, they play a much less important role than they did a year ago. Both hardware and software selections have been pared back.

Mike Flynn, vice president of merchandising, pointed out that although CPU margins run from five to 15 percent, Team's concentration on selling systems has allowed the company to generate a profit margin of 32 percent on a regular basis for the computer department as a whole.

"We are not hardware-generated," he emphasized. "We sell software solution systems."

In choosing what to carry, Team first analyzes its customers' problems asking how a computer could be used to solve them. Then, Flynn said, the best problem-solving software is

(Continued on page 35)



**EDUCATIONAL ADVERTISING—** this flyer has the look of a dictionary—has helped Team Electronics build computer sales to 50 percent of its total volume.

## Teen demand may drive software prices below \$20

*By Bill DeSiena, associate editor*

SAN FRANCISCO—Keeping software prices above \$20—maybe even above \$10—may become tougher because of the growing teenage market. More kids, who have become recent computer owners, will fund their own software purchases.

This, coupled with the rapid growth of vendors and releases, has intensified the pricing pressure on software titles. Since last Christmas, mass merchandisers have dropped their

software prices from an average \$25 to \$15, according to one distributor. And this is only the beginning of the price wars.

Publishers, suppliers and dealers debated the future of software pricing at the second Home Computer Market Forum, sponsored by research/consulting firm Future Computing. Some suppliers called for software to be priced below \$20 at the mass merchandiser level to reach target markets. Meanwhile, other suppliers

argued computer software could still command higher prices.

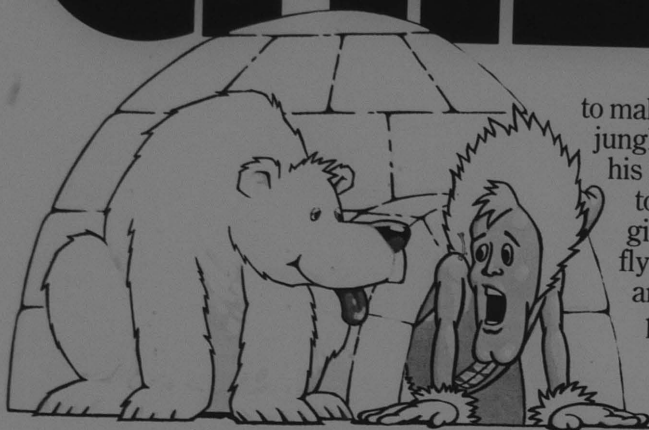
### Aim at target market

Commodore's software for the VIC 20 and 64 enters the retail store for as low as \$9.95. While parents have been the source of capital for previous purchases, "\$9.95 games will be purchased out of kids' pocket money," noted Myrrdin Jones, vice president of marketing, Commodore

(Continued on page 37)



# CHILLS &



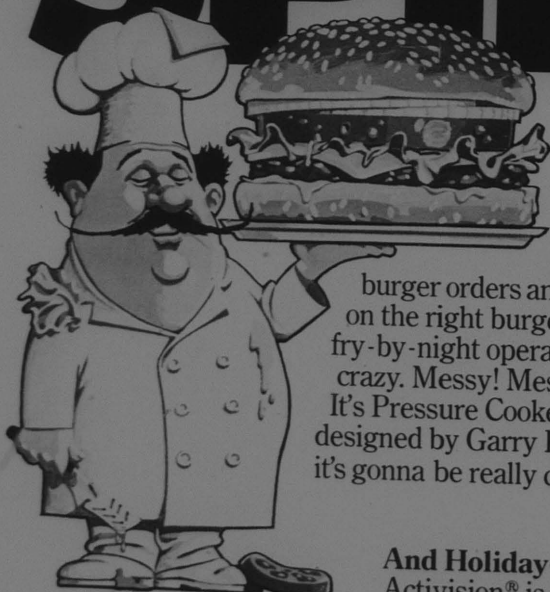
Meet Frostbite Bailey.™ Frostbite™ promises to make the Arctic as popular as Pitfall Harry made the jungle. This Arctic explorer and architect has to build his igloo and get inside before the temperature drops to zero. But giant clams, low-flying snow geese and the always-popular polar grizzly bear are out to stop him. Video



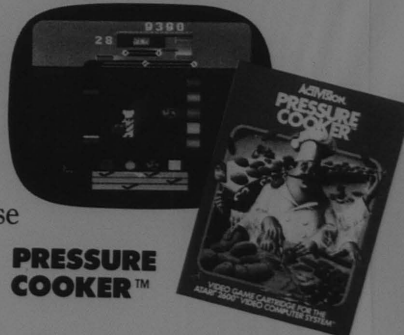
game players will be out to get Frostbite too. They just won't be able to say no to his call of the wild. It's Frostbite for the Atari® 2600,™ designed by Steve Cartwright. There's going to be a hot time in the Arctic tonight.

**FROSTBITE™**

# SPILLS



Squish! Glop! Smush! If there's one thing video game players love, it's putting themselves in a sticky, high pressure situation and then trying to get out of it. Pressure Cooker™ promises to be the biggest mess they've ever seen. Short Order Sam™ has to read the burger orders and put the right garnish on the right burger. But this is a real fry-by-night operation, and things get crazy. Messy! Messy! Messy! It's Pressure Cooker for the Atari® 2600,™ designed by Garry Kitchen. Get ready 'cause it's gonna be really cookin'.



**PRESSURE COOKER™**

## And Holiday Thrills.

Activision® is ready to help you keep things moving this holiday season. With Frostbite Bailey jumping, and Short Order Sam running, Activision brings you two of the best moving titles around. Add those to our all-time best-selling titles and you've got games that hop, jump, run, fly, drive, swim, sail, dash, speed, dive, soar, and keep things really moving ... for you.

**ACTIVISION®**  
WE PUT YOU IN THE GAME.

For use with the Atari® 2600™ Video Computer System™. Atari® 2600™ and Video Computer System™ are trademarks of Atari, Inc. Also for use with Sears Tele-Games® Video Arcade™ Tele-Games® and Video Arcade™ are trademarks of Sears, Roebuck and Co.  
© 1983 Activision, Inc.

## MERCHANDISING COMPUTERS

# Six-fold sku growth, remodeling fuel The Broadway's sales

By Debbie Rosenblum, field editor  
LOS ANGELES—A six-fold expansion of inventory, department remodeling and a revised personnel recruiting and training program have contributed to a tremendous boost in computer sales at The Broadway.

The 40-unit department store chain based here devotes 250 to 500 sq. ft. to computers in each of its stores. Having entered the category in 1981 with the Atari 400 and 15 software titles, the chain now carries six machines—Atari 400, 800 and 1200XL, Commodore VIC 20 and 64 and Texas Instruments 99/4A—and 130 software sku's.

The company also has added significantly to the number of sales associates working the computer department, screens personnel for the department more closely and has increased the number of sales training sessions.

To find out the details on these changes at The Broadway and learn more about its plans for Christmas and next year, *Merchandising* visited electronics buyer Donald Kapica.

**Merchandising:** How is The Broadway remodeling its electronics departments?

**Donald Kapica:** "We have remodeled the departments in four of our stores thus far. Instead of just displaying the units on counters, we've gone to computer desks in those stores. We originally built three stations where customers can sit down and work the computers. Then we added one, two or three such desks, depending on the store. We think the setup has induced more consumers to shop at our stores."

"As far as the other stores go, we have major plans to convert the whole electronics department including the computer area."

**Merch:** What does The Broadway anticipate for the fourth quarter?

**DK:** "Sales definitely will be greater this Christmas than last for three reasons. First of all, you have an economy that's turning around. Secondly, you will have a major number of family purchases which you didn't in the past. The family will say, 'Last year, we got a video recorder as the Christmas family gift. This year, we'll get a home computer. The whole family can use it, appreciate it and enjoy it.' Finally, you have some new computers at very attractive prices. These three factors will make it an outstanding Christmas."

**Merch:** What new system will The Broadway be promoting this coming Christmas season?

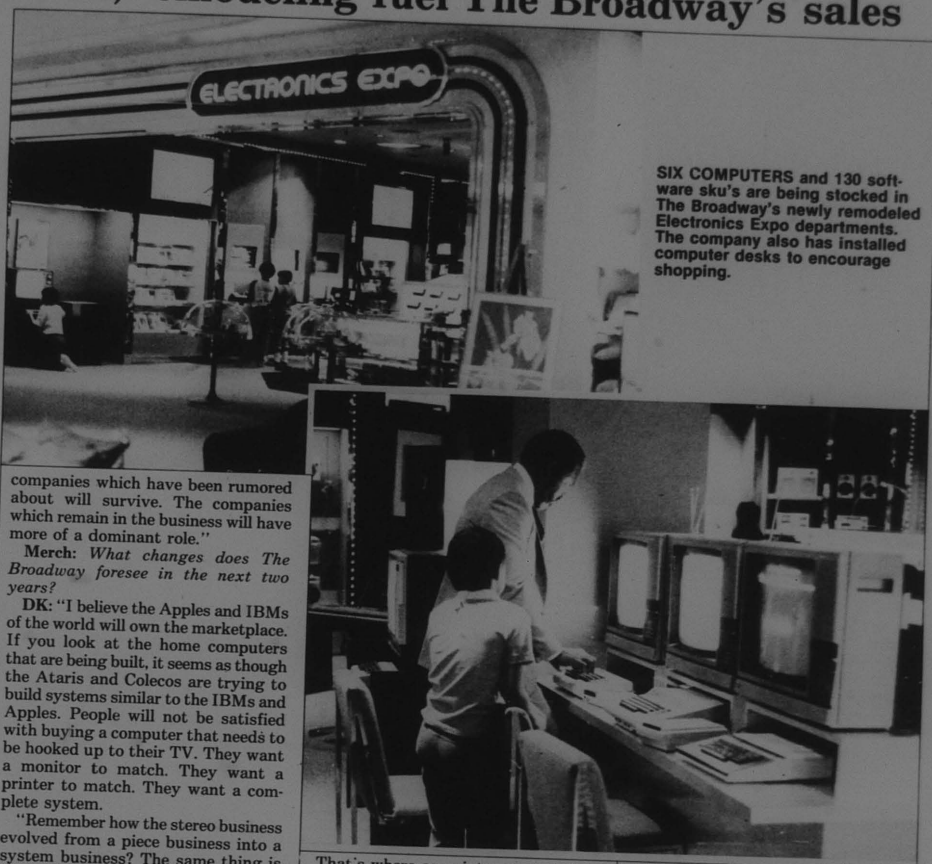
**DK:** "Atari is supposed to have four new systems out. TI is supposed to have one. Coleco is supposed to have one. And Commodore is supposed to have one. If the TI-99/8 is available, we'll carry it. If the Adam is available, we'll carry it. If the Atari 400XL, 800XL, 1400XL and 1450XL are available, we'll carry three of the four."

**Merch:** Do you think pricing will be lower this year?

**DK:** "No. There'll be more features instead. The consumer will get more for his money. Still, I see a definite need for improvement in markup. Everybody wants more profit but nobody knows how to get it."

**Merch:** Does 1984 look like it'll be the year of the industry shakeout?

**DK:** "I think 1983 will be the year of the shakeout. Christmas is that important. It can make or break a number of companies. At the next CES, we'll see whether some of these



SIX COMPUTERS and 130 software sku's are being stocked in The Broadway's newly remodeled Electronics Expo departments. The company also has installed computer desks to encourage shopping.

companies which have been rumored about will survive. The companies which remain in the business will have more of a dominant role."

**Merch:** What changes does The Broadway foresee in the next two years?

**DK:** "I believe the Apples and IBMs of the world will own the marketplace. If you look at the home computers that are being built, it seems as though the Ataris and Colecos are trying to build systems similar to the IBMs and Apples. People will not be satisfied with buying a computer that needs to be hooked up to their TV. They want a monitor to match. They want a printer to match. They want a complete system."

"Remember how the stereo business evolved from a piece business into a system business? The same thing is happening with computers."

**Merch:** Does that mean The Broadway will be getting into the personal computer area in the near future?

**DK:** "We are looking at and analyzing the possibility of going into that market. No decisions have been made yet. We're looking at it as another facet of the computer business that we should be involved in."

**Merch:** Since computers are perceived less and less as just an entertainment medium, is The Broadway going after a different customer?

**DK:** "We're still basically trying to reach the home market. But our selling technique is different. The thrust now is to sell systems or sell applications, not the hardware alone."

"Although close to eight million computers have already been sold, a lot of people don't know what the systems can do. They need to learn there's plenty of software on the market that does more than entertain."

That's where associates come in."

**Merch:** With sales on an upward curve, has The Broadway found a need to increase its sales staff or hire "specialists"?

**EK:** "Because of rising sales, we had to get more sales associates. On the average, each store has one extra person this year."

"The stores also have been very good at hiring better salespeople. By that, I mean people who have an electronics background and a knack for selling. We try to find someone who has had some computer training or took classes in high school or college as well as computer hobbyists."

**Merch:** Have the training sessions been revised in the past year?

**DK:** "We are spending more time now discussing peripherals and software because of their growing importance. Previously, we concentrated purely on hardware."

"We also run training programs on a more frequent basis. Now, they're

every 60 to 90 days. They used to be once every six months."

**Merch:** Since the demand for peripherals is increasing daily, does The Broadway plan to expand its sku's?

**DK:** "We currently have what I consider a limited assortment. But peripherals have become a major growth area. So we are most definitely going to increase the selection starting this month."

"We'll be getting in more printers and modems basically and bringing in accessories like paper, cleaning kits, cables. It's gotten to the point where there's enough penetration of computers in the marketplace that the demand for peripherals has really started to build. And that warrants the investment as far as we're concerned."

**Merch:** Has there been a drastic shift in consumer demand for various programs?

**DK:** "More and more people are buying educational programs and software that is really of some utility around the house. It could be personal finance. It could be recipe saving. It could be mailing lists. It's not just games anymore."

"The way things look, educational software will probably double in sales this year; home office for lack of a better term will probably increase by 50 to 60 percent. Game sales won't plummet. They've hit their peak and will maintain that plateau."

"To maximize sales, you layer one on top of the other. You don't discount games to play up the other two areas. We now give all three equal importance whereas, previously, the games had 100 percent of the emphasis."

“  
Educational software will probably double in sales this year. Home office titles probably will increase by 50 to 60 percent. Game sales won't plummet. They've hit their peak and will maintain that plateau.  
”

—Donald Kapica  
electronics buyer





## MERCHANDISING COMPUTERS

### Dealers hedge on portables, think market is too narrow

(Continued from page 31)

"Among the biggest computer users there is little demand for computer portability," said Mike Flynn, vice president and general merchandise manager for Team Central, Minneapolis.

"There is a market for hand-helds, but it's certainly not as big as the desk-top market."

"When we tried to think of potential buyers, we couldn't find enough groups to make it profitable," said Brian Shaw, business systems consultant for Team Electronics, Waterloo, IA, a franchise of Team Central. "We decided the vertical markets for portables were much smaller than our normal markets. It was not in our best interest to carry them."

Team Central is merchandising the Epson HX-20, but franchises such as the one in Waterloo may opt not to carry a particular item.

Because of its perceived narrow appeal, many retailers think that portables are not a mass merchandise item.

"We are aiming for a business man with a special use for such a machine," said Arthur Zevator, merchandiser manager for Luria & Son, Miami. "The portable is not a mass market kind of item. It is very specialized."

"We try to aim our electronics department at the masses. Most of the portable products are aimed at specific segments of the population with specialized computer needs," he noted.

Luria & Son does carry two Sharp hand-held computers, retailing for \$47.73 and \$124.83. "Sales are fair, but not great," said Zevator.

He added that the percentage of portable sales in relation to total computer hardware sales is "extremely low." When the figure one percent was suggested, Zevator responded, "Very much lower than one percent."

"We think the likely markets are traveling businesspeople and students," said Team Central's Flynn. "If the price is too high, that could cut out the student market."

"We find the majority of small computers are sold to engineers for calculation purposes," said Joe Osowski, vice president of merchandising for Schaak Electronics, Minneapolis. "Now there is some appeal for the traveling businessman. But there wasn't any interest in the recent past because of the trouble we had getting software for the unit we carry, the Epson HX-20."

One retailer having great success with portables is the Computer Depot, a chain of computer stores leasing space from major department stores around the country. According to Fred Larson, president, the store stocks both Osborne and Kaypro lines.

The customer for these units is often pre-sold toward the purchase of a portable before he walks into the store. "But I'm not sure that it's due to the portability of the computers," Larson said. "It's more the desire to buy a less expensive IBM PC-com-

patible machine," which the Osborne Executive model is, or the need for a second computer."

"Our buyer is typically shopping in the department stores. A lot of customer awareness and satisfaction guaranteed by the store makes it a natural place to shop for computers," Larson continued. He doesn't carry any notebook portables yet, but such plans are in the works. "As the notebook begins to carry more power packed with it, and as the display screen gets larger, we'll get into this area."

The Computer Depot occupies floor space in stores including Dayton's (MN), Famous-Barr (MO), Frederick & Nelson (WA), J.L. Hudson Co. (MI), The May Co. (OH), Shillito-Rike's (OH), Woodward & Lothrop (DC) and Younker's (OH).

The Radio Shack chain reports success with its model 100 notebook computer. "We are quite pleased with its performance since it was introduced in May," commented Mark Yamagata, director of merchandising for personal computer products. The market for this item covers a large spectrum, he added. Students returning to school and business people have been two strong segments.

The Radio Shack computer retails for \$799 with 8K RAM, and for \$999 with 24K RAM built in. Upgrade modules are available. Regular Radio Shack stores sell the 8K version but can order the 24K model. Its computer centers carry both versions.

#### Retailers are waiting

Several retailers are still investigating the possibility of adding these products to their inventories.

"We would have to re-educate our



PORTABLES are not being set aside from other CPUs by retailers carrying the units. Here, they are situated on work stations at Todays Computers outlets.

sales staff on how to use and sell the portables and it would be a low return on our investment," said Shaw. Shaw's stores in Waterloo sell Apple and IBM hardware. "If we are going to pick up a portable," he said, "it's going to have to be IBM- or Apple-compatible because we don't want to have to retrain our sales staff."

"We currently are reviewing one," said Jerry Freed of The Math Box, Baltimore. "We have a demo in the store. It's an NEC notebook. I really don't know that much about it yet. We're just trying to get a reaction from customers. From what I know, the sales of portables have not been successful so far."

#### Category will be profitable

At least one executive was less skeptical than the others, although his store has yet to begin selling the items.

Joe Harmon, vice president of merchandising for the CompuShop in Dallas, said, "We do not sell them yet, although we probably will soon. We think the only thing that could hurt the category's profit would be if the quality is poor or if retailers promote the item on price."

"Because of the price point, the percentage (of total sales) will be lower than you might imagine," he said. "It may be 10 percent, but 10 percent of our sales is a pretty good figure."

Among those selling the portables, there has been no new ground broken in the merchandising techniques used.

"Our portables are in the same department (as the desk-tops), in the same type of display," Osowski said. "Our department has workstations set up with sound dividers between them. Each cubicle has a computer setup." He added that the HX-20 was on display in a glass case and taken out for demonstration.

"We show them within the electronics department, in a display case," Zevator said. "They are not set off specially."

"They could be positioned as add-ons to desk-tops," Harmon noted. He added that when CompuShop begins selling the machines, the store may position it "as a second or third computer. It could be looked at as an accessory and we may position it that way."

### Activision, Imagic launch computer titles for \$25 to \$35

SILICON VALLEY, CA—Activision and Imagic are releasing their first titles into the low-end home computer market in hopes of repeating the videogame successes of Christmas 1982.

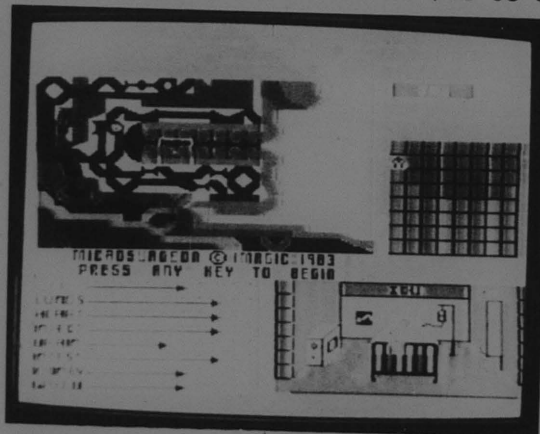
These vendors expect to face a larger number of software publishers, new channels of distribution and a host of new retailers. But Activision and Imagic believe advertising, in-store support muscle and the experience of the videogame market will work in their favor.

Activision is introducing two titles initially for the Atari series of computers: River Raid and Kaboom. Both games will have a suggested retail price of \$35. The introduction will be supported by a multi-million dollar advertising campaign in all media.

"Work also is in progress to develop the games for other systems," said Activision's director of home computer software market development Tom Restaino. "These will see release in 1984. For all systems, we will have regular and enhanced versions of previous games, plus new games for the computer."

Imagic is introducing more titles for a variety of systems including Atari, Commodore and Texas Instruments. The release will include versions for videogame systems. To be introduced this month, the games will receive extensive advertising support in November.

The nine Imagic titles are: Wing War, Moonsweeper, Fathom, Quick



ONE SCREEN on the new Microsurgeon program from Imagic for the TI 99/4A shows bodily systems, patient chart, intensive care unit and another chart monitoring the doctor's progress.

Step, Laser Gates, Subterranea, Nova Blast, Dragonfire, Demon Attack and Microsurgeon. Six of these will be available for Atari computers this fall, six for the TI 99/4A, and four for the VIC 20.

"We will produce games for systems with an installed base of 700,000 to one million units," said Imagic's western merchandise manager Denis Squeri. He expects to see retail prices of from \$25 to \$35 on these titles.

Dealers should be able to get hold of the first Imagic titles for the Texas Instruments (TI) 99/4A computer before the year-end. For the record, Imagic is one of the few software publishers that TI has granted a license to produce games for the patented GROM-based cartridge.

Under Imagic's agreement, TI will market all titles under its own label, but will acknowledge that they have been designed by Imagic on the package.



## MERCHANDISING COMPUTERS

# Add-ons rack up 55% of Team's computer sales

(Continued from page 31)

located. Finally, the hardware is chosen for its ability to run the software.

For example, Team's best-selling computer currently is the Apple IIe. Promoted in a summer flyer, it was bundled with an additional 64K RAM memory on the 80-column card, a 12-in. monitor by Atlantic Data Products, two disk drives by Atlantic (one with a controller), a Muse "know your Apple IIe" program and "Team's special edition software" from Apple in a walnut box, all for \$2,495 (advertised as a savings of \$342.95).

Merchandising systems on a "good, better, best" plan, the above business-oriented package would fall at the top of the "best" category, said computer buyer Mark Hempel. A more typical "best" system might sell for \$1,995 and include only a single disk drive.

A "better" system might be the notebook-sized Epson HX-20 priced at about \$799. The "good" system could be an Atari-based package selling for around \$599.

Dollar sales in the Team computer departments now are comprised of roughly 45 percent hardware, 45 percent peripherals and 10 percent software. However, Flynn noted, that might easily shift to 35 percent hardware, 35 percent peripherals and 30 percent software this quarter.

"Hardware prices are falling while customers are buying more expensive software," said Hempel. "In addition, Team expects that software sales will rise dramatically in the months ahead as computer saturation grows."

To facilitate this shift, the chain has joined forces with the national distributor SKU. Team executive vice president of marketing Gary Thorne reported that SKU will supply 400 to 450 titles, "its entire applicable inventory," to the central warehouse in Minnesota. From there, software will be shipped to the franchises as ordered.

Hempel said SKU will customize a mix for Team by monitoring feedback from the stores. "Our dealers have some unusual needs," he pointed out. Since many are located in rural markets, agricultural titles, such as those tracking crop yields, can be very popular, at least in some areas.

The average store will stock about 200 software titles, carrying only those compatible with hardware sold by Team.

In addition to supplying product, SKU will work with Team to provide dealer training, call on stores as needed, handle some mailings and provide p-o-p materials.

### Fine tunes merchandise mix

For the fourth quarter, Team Central is carrying Apple and Atari computers. In addition, it is picking up the Epson QX-10 and HX-20. The company is looking for good sales from the portable HX-20 this fall and expects the Valdocs program of bundled software to move the QX-10 in significant quantities.

Although no commitment had been made at press time, Team is keeping a close watch on Coleco's Adam. "It's an important product," commented Thorne, one that will fit well with the Team concept of selling systems.

Team also would like to pick up an IBM-compatible computer, if not an

IBM product itself. Although the chain has petitioned, both as a whole and by individual franchise, to become an IBM dealer, to date only one franchisee has been given the go-ahead.

The team dealership in Waterloo, IA, has been selling the Personal Computer for a number of months, getting "about 30 to 40 percent of what we order," according to owner Steve Friedhoff. His also is one of two Team franchises licensed to sell the AppleLisa.

The average Team store (with 1,600 sq. ft. of selling space) now has 500 sq. ft. devoted to computers. Hempel pointed out that the computer department is located at the back of the store, "where it's still visible, yet somewhat insulated from the front, particularly in mall locations. Computers are still a studied, big-ticket purchase," he said. "People want to be able to consider the product in peace."

A "swing section" at the front of



HOME MARKET is expected to comprise a growing part of Team's computer sales. To date, much of the business has been with business and educational accounts, said Mark Hempel (left) and Mike Flynn.



“There just aren't enough initial margins left in videogames. We can't operate at 10 percent. The manufacturers are aware there is a problem. We'd rather work with them than drop them altogether.”

—Gary Thorne,  
executive vice  
president/marketing



“Hardware prices are falling while customers are buying more expensive software. In addition, Team expects software sales will rise dramatically as computer saturation grows in the months ahead.”

—Mark Hempel  
Computer buyer

altogether. I believe our customers still want videogames, and they want to buy them from Team.”

Indeed, speaking to Team dealers at the chain's recent fall planning conference, Conrad Jutsen, senior vice president of planning, Atari, said, "We hope to start rebuilding your confidence in Atari. Citing a Gallup poll that showed that 7.5 million people will buy a videogame this year, he added, "We are confident that this is an ongoing product."

### Home market targeted

Looking ahead into the hectic fourth quarter, Team management and dealers alike predicted that the home market would make up a growing portion of their computer sales. To date, much of the business has been done with business and educational accounts.

"We will push for more home sales," said Hempel. "It's a natural for our dealers."

Although products had not been selected at press time, the home buyer will be targeted for computer sales in Team's fall flyer. When asked what products they'd like to see highlighted, a number of dealers suggested a \$3,000 business package and two home packages—one for \$2,000 and another for \$1,000. The 32-page, four-color promotion piece will be distributed to more than seven million homes in November.

Team's major challenge in computer retailing now appears to be offering its sales force the kind of training it needs. While dealers said they believe they have enough product training, they are now looking for a more general program aimed at providing a broader view of what is available and how it can be packaged to best fill a customer's needs while maximizing profits.

Team officials indicated that SKU will step in this fall to provide some of that training. In addition, Team Central provides a weekly newsletter and is considering distributing a videotape training program.

"Customers are confused," said Thorne. "If we can break through that confusion with product that is easy to demonstrate and a well-trained staff, we will have a secure place in the market for years to come."

each store, where a cross-section of Team merchandise is on rotating display, always features a computer system.

### Half of business is computers

Noting that Team, which will have 93 outlets by the year's end, expects to do half of its sales this year in computers, Thorne pointed out, "We always have a dominant product. Up until 1977, it was audio. CB took over briefly, and then it was back to audio until computers took off."

Team first introduced computers to its merchandise mix in 1977 when it began carrying the Apple. "We were the company's first major account," said Thorne. "The entire 'computer department' took up nine sq. ft.," added Flynn.

Gene Carter, vice president of sales, Apple, recalled showing the first unit to Team dealers in the summer of 1977. At the time, a cassette recorder was the only

medium available for memory storage. "It took so long to load a program," Carter recollected, "we were all trying to figure out how to keep the customer interested until the computer was ready to go."

As Team's computer sales have grown, however, its videogame volume has slipped in recent months. As a result, said Thorne, hardware offerings will be scaled down to the Atari 2600 and 5200, ColecoVision and Intellivision II this fall. Software will be strictly proprietary, except for Activision titles, which continue to do well.

"There just aren't enough initial margins left in the games. We can't operate at 10 percent," said Thorne.

However, he is optimistic that current difficulties with the product can be overcome.

"We're talking to Atari and the others. The manufacturers are aware there's a problem," Thorne noted. "We'd rather work with them than drop them

## MERCHANDISING COMPUTERS

### Plummeting hardware prices to hurt add-ons: distributors

By Anthony Rutigliano, section ed.

NEW YORK—As lower priced computers draw less well-heeled customers, retailers will have a tougher time making the add-on sales that have kept the category profitable.

Margins on software should stay in the 20 to 40 percent range. However, competition and a softening in the popularity of games could force retailers to broaden their software assortments to as many as 75 sku's for each computer carried.

As software prices continue to drop, this will mean that mass merchants will probably carry more business, management and educational titles.

These are some of the predictions of leading software distributors interviewed recently by *Merchandising*. They note that the distinct shift away from games in the months ahead and the sharp reduction in new cartridge titles will cause tremendous changes in current retail assortments.

#### Low-priced market changing

While there is certainly no shortage of new titles right now, Bob Leff, president of Softsel, Inglewood, CA, thinks that the situation for low-priced units is about to change.

"There are not that many of any one type of computer installed to support the development of a cartridge product with a price of \$30. To produce good products requires an installed base significantly larger than there is today. Now, there are fewer cartridge programs being introduced for the VIC 20."

According to Leff, this is because of, not despite, the radical drop in prices.

"A VIC for \$79 is an impulse item," he noted. "And, therefore, it is attracting consumers with significantly less buying power. When a VIC was \$179, a fairly high percentage of purchasers were adding on disk drives."

"But people buying a VIC now are not that interested in purchasing a disk drive or a large bundle of software."

"That's one of the big problems in the mass market right now," said Leff. "It's very clear that retailers are not getting those add-on sales that make it profitable. Software for the VIC 20, for example, is nowhere near as strong as it was six to eight months ago."

Leff noted that the same problem has not yet affected Commodore 64 add-ons, "because at \$199, people still think about getting a disk drive and consider the computer more than a mere game machine."

In agreement with Leff is Lorraine Mecca, president of Micro D, Fountain Valley, CA.

"I wish that I could get my hands on more disk drives for the Commodore 64 because they are selling so well," she asserted. "As a result, even in mass merchandise outlets, business software for the 64 is doing very well, such as Quick Brown Fox and other word processing programs. Of course, the problem right now is that there still is not a great deal of software available for the 64."

Mecca also reported that Atari's first-party software is selling well, but notes a softening of game software across the board.

"When considering business software, no retailers are talking about holding the line on their inventories," she noted, "but they definitely are trying to limit game selections."

#### Hit syndrome is softening

The distributors also are quick to point out that the hit syndrome is probably not as bad as retailers had thought and shows some signs of softening.

"Retailers think of the software category as being volatile, but there are titles that have been on our hot list since we started it one year ago," said Leff. "So, I don't think retailers have to be that concerned that a lot of their assortment is going to become obsolete."

"There is a greater problem," said Leff, "in the vast number of manufacturers presented on the hot list. In reviewing it recently, we noticed there are 49 publishers responsible for the top 50 titles. There is no way any retailer can have a relationship with 50 vendors."

According to Mecca, "The hit syndrome has now become more of an advertising game. For instance, Choplifter was a great seller for the Apple, but it didn't equal that success in the mass market because, I think, it didn't receive the necessary advertising support."

#### Assortments are changing

While a softening of the hit syndrome will forestall some of the adverse pressure on margins, it probably will force retailers to expand their assortments.

Softsel recommends that mass merchants carry about 75 titles for every CPU in stock. This would include manufacturer software as well



**BIG PROFITS** still exist for retailers moving a lot of software, say some leading distributors. Most of them cite margins of from 20-40 percent.

as 40 to 50 titles from third-party vendors. While only a few months ago, the company was recommending that 75 percent of that assortment be in entertainment titles, Leff thinks that is about to change.

"We are at the transition point now in the home computer industry. People will now be going from recreation to management and education. So many learning companies producing good software have come out in the past year that it will have a big impact on the retail sales picture," he pointed out.

Mecca of Micro D recommends

retailers carry 50 to 60 titles per machine and divide that up among entertainment, education and management. "Educational titles are really beginning to sell from algebra down to pre-school programs and we expect that to improve," she said.

The reason for the push is that software is and will continue to be where the money is.

"No matter who you are, software is a terrific opportunity to make money," said Jordan Levy, marketing manager for Software Distribution Services, Inc., Buffalo, NY.

"The absolute worst customer is buying at 40 percent off. Big volume mass merchants are buying at 40 plus 10. With that, there is a lot of room for people to make money," he said.

However, despite his touting of software's profitability, Levy is not an advocate of broad assortments.

"We designed our Win program because we felt that retailers were buying too many sku's," said Levy. "When you have 150 to 200 titles, you will have some product that doesn't sell. We believe retailers should go narrow and deep and change 20 percent of their stock every 60 days. The program calls for carrying six to 12 sku's per CPU in stock and the program is getting 10 to 12 turns."

Mecca asserted that good turn and broad assortment are not incompatible. Her program calls for about four pieces in depth for every title and a maximum of 200 titles per CPU. She says that this will turn at least six times annually at a 28 to 38 percent gross margin.

#### Correction

CHICAGO—Suburban Chicago Atarians (SCAT), the user group, meets the first Saturday of each month in the Roselle Library in Roselle, IL, at 11 a.m. In the August issue of *Merchandising Computers* it was reported that the group meets in a local computer store. But SCAT president Bob Schuricht pointed out, "We have between 100 and 150 people at each meeting—just too many to fit in a store."



A VIC for \$79 is an impulse item. Therefore, it is attracting consumers with significantly less buying power...They are not that interested in a disk drive or a large bundle of software.

”

—Robert Leff,  
president  
Softsel

”

When considering business software, no retailers are talking about holding the line on their inventories. But they definitely are trying to limit game selections.

”

—Lorraine Mecca,  
president  
Micro D



## MERCHANDISING COMPUTERS

### Teens, rash of new entries drive down software prices

(Continued from page 31)

Business Machines.

"In other words, the target market for much of the game software titles—teenagers—will be able to fund purchases at this price level."

However, most of the software at under \$20 on retail shelves right now is being dumped to clear the way for new product for the holiday season. "This action is damaging future profitability," commented Jim Levy, president and CEO at Activision.

Maybe so. But Bill Mitschrich, president of Service Software distributors, thinks that as software prices fall below \$20, retailers still can make a profit.

"Hardware prices have dropped, but software prices have not. Consumers want to know why they have to pay \$40 for computer software but \$5 for Atari VCS software," he pointed out.

Mitschrich maintained that the average software price among mass merchandisers has dropped from about \$25 to \$15 since last Christmas.

"Most home computer software is priced too high by a factor of two," he said, hoping that more software under \$20 would come into stores before Christmas.

Because of instability in the marketplace this year, mass merchandisers held their fall programs open at unprecedented levels until the last minute, he noted. "I've recommended the lean and mean approach to my customers until pricing calms down."

#### Market still drives software

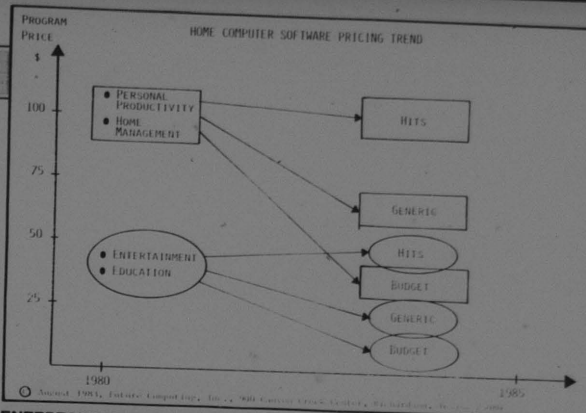
However, Doug Carlston, president of Broderbund Software, disagreed. He said that prices are market-driven and not yet customer-driven. "Our Bank Street Writer word processing program was designed to appeal to the novice computer user with simple needs. It wasn't introduced with a lot of features," he noted.

But it does have an attractive price of \$69.95 suggested retail, and has been a top seller. As a result, other higher-priced, feature-laden word processing programs above \$100 are being brought down in price, although Carlston believes this isn't necessary.

David Gordon, president of Data-

most, added that great software can sell at whatever price is put on it. While he and others like Sirius president Jerry Jewell admitted that the average price of between \$35 and \$45 retail would drop in the next few months, Gordon said it wouldn't be worth his while to stay in the business should prices be forced under \$20.

Conference participants alluded to one of the lowest-priced products on the market right now—a title in the Romper Room educational series by Spectravideo for its computers. It retails for under \$5.



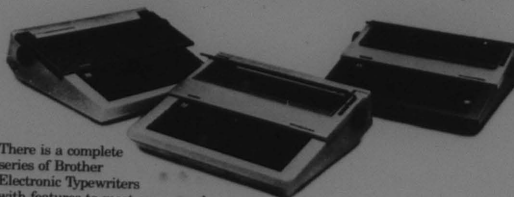
ENTERTAINMENT/EDUCATION TITLES will fall below the \$20 mark this year as teenagers become more of a force in the market. Personal productivity and home-management titles will remain at higher price levels, according to Future Computing.

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### TI increases fall ad campaign

LUBBOCK, TX—Putting the stress on the educational offerings of its 99/4A system, Texas Instruments has launched what it calls "the largest home computer advertising program ever."

The multi-faceted campaign will include an expanded radio, television and magazine push, as well as several other support programs. Having temporarily shelved Bill Cosby as a spokesperson, the company is trying to convince consumers that their children need computers to stay ahead in school.

This latest marketing effort also includes a number of other support activities. TI has expanded its warranty from 90 days to 12 months on CPUs. It also has set up a toll-free "Consumer Helpline" (1-800-TI-CARES) to answer consumer questions.

The company also has begun a direct-mail campaign to owners that focuses on expansion systems and new software.



## Tired of incompatible systems? MSX standard is coming

By Bill DeSena, associate editor

SAN FRANCISCO—For computer dealers weary of juggling incompatible systems, relief could be in sight.

The first computers previewing the MSX standard operating system should hit the market this fall. And more are expected to be on display at the Winter CES, aiming for a launch sometime in 1984.

All in all, about 20 hardware manufacturers are designing product around the standard, which has been designed by Microsoft.

Speaking at the second Home Computer Market Forum, sponsored by research/consulting firm Future Computing, K. Nishi, vice president of planning for Microsoft in Japan, reported that 10 of the participating companies will launch MSX computers in Japan before the end of the year.

The U.S. market will get its first glimpse of the product this fall when Spectravideo is scheduled to offer MSX compatibility on its 32K SV-318 Execumate portable computer. Scheduled for release in December, it will retail for less than \$1,000.

Following that, a number of Japanese-made machines will be previewed at the CES in Las Vegas in January. The Japanese are expected to firm up their plans at the Summer CES and introduce product to the U.S. market by Christmas '84.

According to Nishi, between 700 and 1,000 software titles will be available for the MSX by then.

Among the firms developing products around the MSX system are Canon, Fujitsu, General, Hitachi, JVC, Kyocera, Matsushita, Mits-

bishi, NEC, Pioneer, Sanyo, Sony, Toshiba and Yamaha. Sharp and Casio also joined the ranks recently. But not all the firms are planning computers.

Nishi noted, that Yamaha, for example, is building a high-end synthesizer chip that will allow the MSX to support musical instruments. Pioneer is working on interactive videodisc capabilities. Hitachi is working on a speech synthesizer. And another firm is developing videotex and teletext terminals.

What will the computers cost? Nishi predicted that a 64K RAM keyboard will hit the market for about

\$99 as early as the fourth quarter of next year.

### Costs taken into account

One reason the cost will be so low is that the MSX is based on an eight-bit computer, even though more-sophisticated 16-bit units (such as the Texas Instruments 99/4A and the IBM PC) are already on the market. Nishi said an under-\$100 unit would not be immediately possible with 16-bit machine.

While the 16-bit computer is faster, the difference in speed should make little difference at the home level. "The eight-bit microprocessor is still

invaluable in that market," commented Harry Fox, president of Spectravideo. "The consumer is not concerned with whether he's using eight-bit or 16-bit technology."

Any move to develop standards would be welcomed by retailers, who must maintain impossibly large inventories if they hope to satisfy all the incompatible systems now on the market. "A de facto standard—or standards—is necessary for the industry's growth," stressed Portia Isaacson, president of Future Computing. "All U.S. manufacturers are going to have to decide whether to lead one, or to follow."

# H O T H I T S



### Computer Newsbits:

VANCOUVER, BC—Donkey Kong at 40,000 feet? In-flight video games are now a reality aboard CPAir flights between Vancouver, B.C., and Amsterdam. An initial test along this route has prompted the company to conduct another test on a national route, before a permanent decision on whether to go with the games will be made. Game sets are rented, much in the same way as in-flight movies are. The game sets fit snugly over the dinner trays that fold out from seat backs. Rental cost of the video sets is \$3.50...Human Engineered Software (HESWare) has received additional funding and an agreement to obtain technical and marketing assistance. Sources involved with the software publisher include Microsoft, Action Industries and Technology Venture Investors...Spectravideo has moved its headquarters to a 45,000-sq.-ft. facility in Plainview, NY. The corporation will still keep its existing location as a full-line showroom. The new address is 45 South Service Road, Plainview, NY 11803.

Directory  
of portable  
computer  
manufacturers  
appears  
on page 48

# C R E A T I V E S O F T W A R E

## Award-Winning Hits Featuring



### CHOPFLIFTER\*

For the Commodore VIC-20.

The best-selling computer game is now available for the best-selling computer — and that means sales will really take off. Sixty-four Americans are being held hostage behind enemy lines. Sneak over the border, make your way through withering enemy fire, then blast your way back to safety. America is counting on you!



### SERPENTINE\*

For the Commodore VIC-20.

Three huge and evil red snakes are slithering through a complex series of mazes, closing in on your good blue serpent from all sides. Move fast, watch your tail, and try to survive long enough to let your eggs hatch into reinforcements. Swallow the magical frogs or your enemy's eggs and you may get the strength to go on!



\*SELECTED AS ONE OF THE MOST INNOVATIVE COMPUTER PROGRAMS 1983 CES SOFTWARE SHOWCASE AWARDS

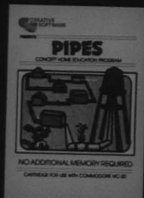
We've got a creative idea that will make your job easier this Holiday Season, and introduce a new market for the next. With the purchase of each of our hottest games this Christmas, we'll be offering a Free Home Management Software Program.

C R E A T I V E

CHOPFLIFTER™ AND SERPENTINE™ ARE VIC-20 TRANSLATIONS OF ORIGINALS BY CARL GUTLIN AND DAVID ENDER, RESPECTIVELY.

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## uring Free Software Programs.



### PIPES<sup>®</sup> For the VIC-20 and Commodore 64.

At last! An educational game that's also fun and challenging for the whole family. Help Arlo the Plumber build a water supply system for a whole neighborhood. Choose the right pipes from the factory, plan the most economical layout, and just hope Arlo has remembered to open and close the right valves or you'll be all wet!



### SAVE NEW YORK<sup>™</sup> For the Commodore 64.

Our newest game, and sure to be one of our hottest. Hordes of grotesque aliens attack the Big Apple by air, munching like mad and laying eggs in the subway tunnels that hatch and creep up from below. A lone defender fights against incredible odds in one of the most challenging battles ever seen on the Commodore 64.

It's our way of showing your customers that action-packed gaming is only the beginning of their Commodore capabilities. And that will help you create a whole new software market for the next season. One with enormous potential.

We're kicking off our promotion with the right products, our distinct packaging, aggressive national advertising, and plenty of retail merchandising and promotional support to really make the program work for you. It's an irresistible offer for Commodore owners.

S O F T W A R E

CHOPPER AND SERPENTINE ARE LICENSED FROM BRIDGEMAN SOFTWARE, INC.



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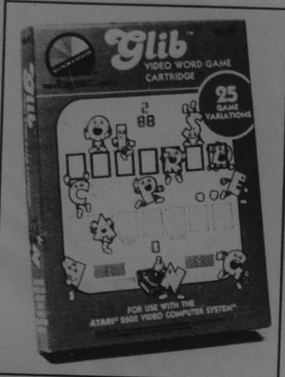
BALE NEW YORK 24  
CHORUS 28  
ACQUAINT 74  
MOONLIGHT 24  
RAY HOTEL 24  
ASTOR 24  
TRAVELER 24  
ASTOR CORP 24  
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## MERCHANDISING COMPUTERS

### VIDEOGAMES

**BLUEPRINT**, CBS Electronics. Atari 2600-compatible. Available now.  
**FATHOM**, Imagic. Atari VCS-compatible. Available now.



**GLIB**, Selchow & Righter. Atari VCS-compatible. Available now.  
**MOONSWEEPER**, Imagic. Atari VCS-compatible. Available now.  
**NOVA BLAST**, Imagic. Mattel Intellivision-compatible. Available now.  
**SOLAR STORM**, Imagic. Atari VCS-compatible. Available now.  
**THE DREADNAUGHT FACTOR**, Activision. Mattel Intellivision-compatible. Available now. Suggested retail \$39.95.  
**TRUCKIN'**, Imagic. Mattel Intellivision-compatible. Available now.

### COMPUTERS

### GAMES

**ALIEN MUNCHIES**, Gentry Software. Apple II series-compatible. Available now. Suggested retail \$19.95.  
**BUZZARD BAIT**, Sirius Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail \$39.95.

**CASTLE HASSLE**, Roklan. Atari series-compatible on cartridge. Available now. Suggested retail \$44.95.

**CRISIS MOUNTAIN**, Creative Software. Commodore VIC 20, 64-compatible. Available now. Suggested retail \$29.95 for VIC 20, \$34.95 for 64.

**DA' FUZZ**, Roklan. Atari series-compatible on cartridge. Available now. Suggested retail \$44.95.

**HEN PECKED**, Romox. TI 99/4A-compatible. Available now. Suggested retail \$39.95.

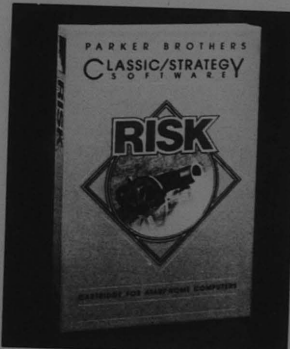
**KABOOM!** Activision. Atari series-compatible. Available this month. Suggested retail \$34.95.

**MURDER ON THE ZINDERNEUF**, Electronic Arts. Atari 800/1200-compatible. Available fourth quarter. Suggested retail \$40.

**MYSTERY MASTER: MURDER BY THE DOZEN**, CBS Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail \$34.95.

**POOYAN**, Datasoft. Atari 400/800/1200-compatible. Available now. Suggested retail \$34.95.

**PRINCESS AND FROG**, Romox. VIC 20-, TI 99/4A-compatible. Available now. Suggested retail \$39.95 for TI.



**RISK**, Parker Brothers. Atari series-compatible. Available in November.  
**RIVER RAID**, Activision. Atari series-compatible. Available now. Suggested retail \$34.95.  
**ROSEN'S BRIGADE**, Gentry Software. Atari series-compatible on diskette and cassette. Available now.

Suggested retail \$16.95.  
**S.C.I.M.M.A.R.'S**, Avalon Hill. Apple II series-compatible. Available now. Suggested retail \$30.

**SPACE SENTINEL**, T & F Software. Commodore 64-compatible. Available now.

**TAXI**, Romox. Atari series-compatible. Available now. Suggested retail \$44.95.

**T.G.I.F.**, Avalon Hill. Atari 800/1200-, Commodore 64-compatible. Available now.

**WATERWORKS**, Romox. Atari series-compatible. Available now. Suggested retail \$39.95.

### LEARNING

**CREATURE CREATOR**, DesignWare. Apple II-, Atari series-, and IBM PC-compatible with 48K memory. Available now. Suggested retail \$39.95.

**ESTIMATION SKILL BUILDER**, EduSoft. Apple II-, Atari 1200-, TRS 80-compatible. Available now. Suggested retail \$24.95.

**FAST FACTS**, EduSoft. Apple II-, Atari 1200-, TRS 80-compatible. Available now. Suggested retail \$24.95.

**HANDS ON BASIC PROGRAMMING**, Eduware. Apple II series-compatible. Available now.

**IN THE CHIPS**, Creative Software. Commodore VIC 20-compatible. Available this month. Suggested retail \$29.95.

**MASTERING THE COLLEGE BOARD ACHIEVEMENT TESTS: ENGLISH COMPOSITION**, CBS Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail \$175.

**MASTERING THE SAT**, CBS Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail \$150.

**MASTERTYPE**, Lightning Software. Apple II series- (with 48K), Atari series- (32K with disk drive), IBM-PC-compatible. Available now. Suggested retail \$49.95.

**MICROMATH**, Hayden. Apple II-, Atari series-compatible. Available now. Suggested retail \$29.95.

**MICROSCOPIC JOURNEY**, Hayden. Apple II series-compatible. Available now. Suggested retail \$34.95.

**MUSICAL MATH**, Hayden. Atari-compatible. Available now. Suggested retail \$34.95 on cassette or disk.

**PICTURE PARTS**, Roklan. Apple II-, Atari series-compatible. Available now. Suggested retail \$39.95 for Apple disk, \$44.95 for Atari cartridge.

**PRESIDENTIAL CAMPAIGN**, Timeworks. Commodore 64-compatible. Available now. Suggested retail \$24.95.



**SPRINT TYPER**, Computer Software Associates. Commodore VIC 20-compatible. Available this month.

Suggested retail \$19.95.  
**SUCCESS WITH MATH: ADDITION/SUBTRACTION**, CBS Software. Apple II series-, Atari series-compatible. Available now. Suggested retail \$24.95 for disk, \$19.95 for cassette.

**SUCCESS WITH MATH: LINEAR EQUATIONS**, CBS Software. Apple II-, Atari series-compatible. Available now. Suggested retail \$24.95 for disk, \$19.95 for cassette.

**SUCCESS WITH MATH: MULTIPLICATION/DIVISION**, CBS Software. Apple II-, Atari series-compatible. Available now. Suggested retail \$24.95 for disk, \$19.95 for cassette.

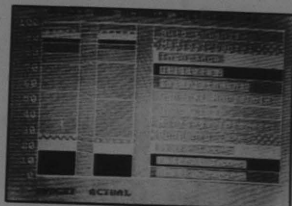
**SUCCESS WITH MATH: QUADRATIC EQUATIONS**, CBS Software. Apple II-, Atari series-compatible. Available now. Suggested retail \$24.95 for disk, \$19.95 cassette.

### HOME MGT

**CREATATABASE**, PCSoftware. IBM PC-compatible. Available now.

**DATA MANAGER**, Timeworks. Commodore 64-compatible. Available now. Suggested retail for series range from \$21.95 to \$29.95.

**DAIRY 64**, Computer Marketing Services. Commodore 64-compatible on disk or cassette. Available now. Suggested retail \$59.95.



**DOLLARS AND SENSE**, Monogram. Apple II series-, IBM PC-compatible. Available this quarter. Suggested retail \$100 for Apple, \$165 for IBM PC.

**EINSTEIN COMPILER**, Einstein. Apple II series-, III-compatible. Available now. Suggested retail \$129.

**ELECTRONIC CHECKBOOK**, Timeworks. Commodore 64-compatible. Available now. Suggested retail \$24.95.

**FAMILY PAK**, Timeworks. Timex 1000-compatible. Available now. Suggested retail range from \$12.95 to \$19.95.

**MAGICALC**, ArtSci. Apple II series-compatible. Available now. Suggested retail \$149.95.

**MAGIC DESK I**, Commodore 64-compatible. Available now. Suggested retail for each part of series is under \$100.

**MAGIC MEMORY**, ArtSci. Apple II series-compatible. Available now.

**THE HOME ACCOUNTANT**, Continental Software. Apple II-, Atari-, Commodore 64-, IBM PC-, Kaypro-, Osborne-, TRS-80 Model III-compatible. Available now. Suggested retail range from \$74.95 to \$150.

**SILVERSOFT**, Douthett Enterprises. IBM PC-, CP/M 86-compatible. Silver Series of four programs available for \$295 suggested retail.

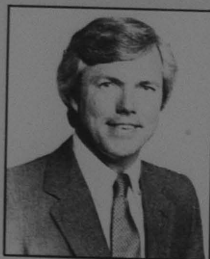
**SOFTAX**, Design Trends. Apple II series-, III-, IBM PC/XT-compatible. Suggested retail \$199 for homeowner version, \$499 for preparer version.

**THE MONEY MANAGER**, Timeworks. Commodore 64-compatible. Available now. Suggested retail range from \$21.95 to \$29.95.

## Merchandising's TOP 10 TEN ... in videogame software

	Last month's position	Months on chart
1. Q*Bert (Parker Brothers)	3	2
2. Centipede (Atari)	1	7
3. Pole Position (Atari)	—	1
4. Enduro (Activision)	4	4
5. Ms. Pac-Man (Atari)	5	8
6. BurgerTime (Mattel)	—	2
7. Pitfall (Activision)	9	8
8. Keystone Kapers (Activision)	8	3
9. Robot Tank (Activision)	8	3
10. River Raid (Parker Brothers)	7	8

# NEWSLINES COM- PUTERS



Noll named vp/sales  
at Software  
Distribution Services



Spectravideo taps  
Forman  
national sales manager

**PHILADELPHIA**—Apple and Franklin will still be battling it out despite last month's landmark decision in federal appeals court in Philadelphia. The court ruled that software for the Apple II, including programs on chips, is subject to the protection of copyright laws. It also held that Apple II's operating system is subject to copyright protection.

The third U.S. Circuit Court of Appeals reversed last year's decision of a lower court denying Apple's request for a preliminary injunction against Franklin. The court, however, left it to a lower court to decide if an injunction should be issued against Franklin. At press time, Franklin officials maintained that they had ample ground to prevent an injunction and said they were considering an appeal to the U.S. Supreme Court.

Apple originally filed suit in May 1982 charging patent and copyright infringement and unfair competition against Franklin, maker of two Ace machines similar to the Apple II and IIe.

**WELLESLEY, MA**—The portable briefcase computer marketplace will exceed \$4 billion in shipments by 1987, according to a recent study by Venture Development Corp. The report defines a portable briefcase computer as: a device weighing less than 30 lbs. that is configured within a carrying case, or can easily fit into one; a device which contains a keyboard, some form of output, internal memory and communications capabilities, and a system which has standalone capabilities, is user programmable and has applications software packages available.

The study excludes portable hand-held models such as those made by Matsushita and marketed by Panasonic and Quasar. Fifty percent of those users falling within Venture's classification were depending on a portable for scientific and engineering applications, but the other half were using their machines for word processing. Data entry is the next most popular use, said 30 percent of the respondents, followed by graphics with a 24 percent share.

But by 1987, according to the study, portables will be used for a much wider variety of applications. Scientific and engineering will remain the most important application, followed by graphics, as word processing will have dropped slightly. Data entry and the rapidly growing electronic mail area will also be major areas for portable computers.

**LAS VEGAS**—EIA/CEG and The Interface Group are financing a joint venture to build a 120,000-sq.-ft. addition to the Las Vegas Convention Center. To be named West Hall, the addition is being built to accommodate the growth of the two major shows, CES and Comdex. The site is located across from the center's existing East Hall. Construction will be completed in mid-November before the start of Comdex/Fall, Nov. 29. Computer and software exhibitors at WCES will be assigned the total net 75,000 feet of space in the new hall, in addition to the 90,000 sq. ft. in East Hall. Upon completion of construction, the building will be conveyed to the Las Vegas Convention and Visitors Authority, which owns title to the land, for control and administration.

**PROMOTION PIECES**—Consumers who buy the Spectravideo SV-318 computer console before Dec. 31 will receive one free 16K RAM card. The card expands the computer's RAM to 48K, and carries a normal suggested retail price of \$80. Print advertising and four-color counter display cards, featuring spokesman Roger Moore, will kick off the promo...Buy Two, Get One Free was the message Epyx sent in a direct mail piece to more than a quarter-million computer owners. By sending in proofs of purchase from any two Epyx games purchased at retail through the end of this month, a customer can receive one of 16 selected games free. P-o-p materials are provided. Mattel Electronics' latest promotion for Intellivision drops the trade price to \$89.95. With the purchase of either Master Component, consumers will receive a free Burger-Time cartridge at retail. The second half promo is being backed by network and spot TV along with co-op advertising...Imagic has launched its network, spot and print advertising for the fourth quarter season. Videogame spots will cover its six new releases; titles adapted for computers will also be supported by computer enthusiast magazines starting next month.

**BOSTON**—Electronic home banking is closer than many people think, according to the Yankee Group, a market research and consulting firm. The new wave of electronic financial services (EFS) will achieve mass market status by Christmas 1985. Deregulation of interstate banking and the heightened competition between banks and quasi-banks (insurance companies, brokerage firms and retailers) are two of the forces propelling EFS. The third factor is that the home computer installed base is growing. The Yankee Group figures that 20 percent of the 22 million homes owning a computer in 1985 will also own a modem for communicating over telephone lines. An additional 1.5 million telephones with computer capabilities and built-in displays (made by AtariTel, Western Electric and others) will be installed in U.S. homes by the end of the same year.

EFS will be the subject of a Yankee Group seminar, "Quasi-Banks in the Home," on Oct. 25 to 26 in New York, and Nov. 12 in Palo Alto, CA.

**MANAGEMENT MOVES**—Kenneth Harkness has been named general manager of Digital Research's newly formed Consumer Products Division...Software Distribution Services has tapped John Noll for the post of vice president, sales...Timothy Yandell has been promoted to director of product development for Spectravideo. Martin Forman has replaced him as national sales manager...Ray Dettling has joined Fox Video Games as a director of product design and licensing. ...Peter Field took over last month as president of the consumer group for Texas Instruments and as vice president of Texas Instruments, Inc. He was most recently the general manager of the coffee division of Procter & Gamble.

**CAMPBELL, CA**—Retailers are reportedly yielding to the promise of higher margins on peripherals, and expect increased consumer demand for them this Christmas. That's according to Syed Zaidi, president of Alphacom, maker of printers for the OEM and retail home computer markets. Zaidi said that he has signed up Toys 'R Us, Long's Drugs, 600 J.C. Penney stores, Bamberger's and Caldor. K mart recently finished test marketing the Alphacom printers in 40 stores and Zaidi is waiting for a decision to be made on how many of the K mart stores will stock the items this Christmas. The latest entry from Alphacom is a printer that interfaces with many different home computers on the market. With a 120-character-per-second capability, the 80-column printer costs \$169 suggested retail; the proper interface is then needed to hook up to the brand of computer desired. Total cost of the printer to the consumer is \$209.95 suggested retail.



## MERCHANDISING COMPUTERS

### S&C leased outlet moves high-end systems

(Continued from page 31)  
smith chain of Tennessee.

Designed to compete with IBM, ComputerLand and other standalone stores, Today's Computers has almost completely abandoned the low-priced computer market. While stores in which they are located carry "commodity" items, the outlets themselves handle Apple, Commodore, Digital Equipment, Epson, Fortune, Osborne and Victor computers as well as 450 sku's in peripherals, software and books.

"The department stores want to be in this business because it attracts 25- to 42-year-old, educated customers," said Intelligent Electronics president and founder Richard Sanford. "But they don't want to devote the necessary personnel or inventory dollars."

"What's more," said Sanford, "an outside sales force is needed because not many people walk in off the street for a \$10,000 system. On the other hand, our department store relationship assures customers we are not going out of business and lets them know they can expect a guarantee of good merchandise and service."

#### Marketing is varied

Because of this approach, Today's Computers has a varied marketing effort. For its Strawbridge & Clothier shops, it reaches consumers with weekly ads in the *Philadelphia Inquirer*. The business community is addressed via ads through a variety of periodicals serving the Delaware Valley. The latter effort is supplemented with a direct-mail campaign aimed at corporate decision makers and management information system directors.

"These marketing efforts support our outside sales force which goes knocking on doors," said Sanford. "We tell the business community that we are unbiased, unlike manufacturer's reps who are out to sell their own systems."

"We try to go in and take the consultant approach and help them solve problems. We find that we don't have to sell people on the benefits of a micro computer. But we do have to get them over 'computer shock,'" he added.

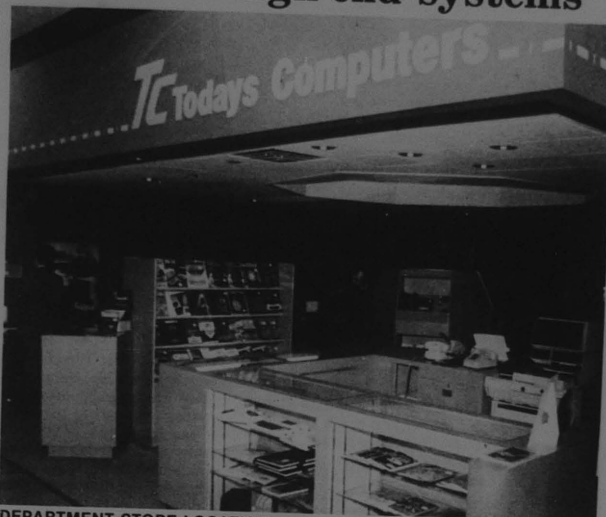
The outside sales force emphasizes the Today's Computers name and, once that is established, talks about its association with Strawbridge & Clothier.

"That's necessary, because if customers hear the department store name first, they might just think they're talking to someone moved over from the bath department," said Sanford. "However, once the customers realize we are a computer company, the department store helps establish our credibility. It is something we are proud to be associated with."

#### Small businessmen drawn

Sanford, a former executive vice president with Commodore, also believes positioning outside outlets in department stores allows the company to attract small businessmen and consumers interested in upscale computers for their homes. What's more, "the open look of the departments makes them less intimidating than specialty stores," he said.

And sales personnel are trained to keep the customers from becoming intimidated.



DEPARTMENT STORE LOCATION and an open look help make Today's Computers outlets less intimidating to customers, say Intelligent Electronics officials. Here is an outlet at one of Strawbridge & Clothier's suburban stores.

"We do not hire 'jet jockeys' who are going to throw a lot of technical information at customers," said Sanford. "In effect, we'll fire anyone who talks bits and bytes. We want salespeople to suggest to the customer, 'I'm here to solve your business problems.'"

Today's Computers hires teachers and marketing students and people who have sold business equipment. The company has a 30-day training program of its own and also allows employees to attend manufacturer training seminars. In addition, the firm has a continual training program consisting of four hours of instruction every Monday and Tuesday morning to keep personnel informed about new developments in equipment.

The company keeps such qualified employees by paying them well, said Sanford. "We also offer them a variety of career paths and, therefore, remove some of the stigma attached to working in a department store for some of these people."

#### Education is key

Another big part of Intelligent Electronics' sales and support effort is education. The company runs seminars "led by educators, not salesmen," in a variety of settings, said Sanford.

"We give three-hour courses in the stores which give a good look at the various systems we sell. We give those attending a notebook summarizing everything they've heard. This also explains the reasons for the various prices among the systems," he added.

This team of educators also helps companies train employees to use new systems. "We offer this service even to those who might have purchased their computer through someone else," said Sanford.

Intelligent Electronics also has used this team to make inroads at some of the universities in the Philadelphia area.

"We can't compete with computer manufacturers in cutting a deal for hardware, but we help the schools out after the equipment is delivered," said Sanford. "We help them get the

systems up and running, sell them peripherals, supplies and software and provide the necessary service when a computer is down."

"Of course," he added, "we get to know the students and they come to us for their computer needs. We become the official computer store, in a sense. The store offers a credit card to students."

"We also become the official store of employees of companies to which we sell larger systems and offer them a corporate discount of maybe 20 percent," he said.

Sanford noted that this, in turn, is good business for the stores in which it operates.

#### Arrangements will differ

While the company generally has abandoned the low-priced computer market, it will probably be handling this part of the business for some of the department stores in which it operates.

According to Sanford, "Department stores can't make money on this because it's not a high margin business and there are real risks involved. The discounts from manufacturers are 30 to 40 percent, but no one in the low end of the market is selling at suggested list."

"We think we can do a better job," he said, "in that we will offer an upgrading."

"This will allow us to make a small margin. In this market, though, I think the profits will fall away even on software, because more and more people will bundle it with the hardware to move merchandise. I think the supposed immunity to price cutting for software is a fallacy."

Today's Computers outlets vary in size from about 1,000 to 2,800 sq. ft. Mall outlets are the smallest, while the downtown Philadelphia store measures 1,400 sq. ft. The firm's newest outlet at Kaufmann's in downtown Pittsburgh is its largest.

The departments all include at least one closing/demonstration room. The Pittsburgh store has four such rooms because of its location at the center of the second largest corporate headquarters area in the country.

micro's  
etc.

### FRANCHISE OPPORTUNITY

Now is a great time to open your own business, and we invite you to join Micros Etc. as a part of our national franchise family.

Our concept embraces the retail sales of the two most explosive growth categories of the decade — small business computers and microwave ovens. From one store in 1975, to a nationwide family of franchisees today, we offer an exciting opportunity and challenge for profit and fun.

Among the benefits are:

- \* Exclusive Territory
- \* National buying power
- \* Advertising programs
- \* Sales training

Success is limited only by one's view of the future. If you want to participate in the opportunities available, for further information contact:

**MCE Corporation**  
17971 Biscayne Boulevard  
N. Miami Beach, Florida 33160

or call 305/931-3300 and talk to Harvey Rose or Wayne Sues.

## Capital Gain.

Time and again, you've heard it said, "To make money, you have to have money."

The truth is, you have to know how to save money before you can think about making more.

That's why more and more people are joining the Payroll Savings Plan to buy U.S. Savings Bonds. That way, a little is taken out of each paycheck automatically.

In no time, you'll have enough Bonds for a new car, your child's education, even a dream vacation.

Whatever you save for, Bonds are the safest, surest way to gain capital.

Take  
stock  
in America.

When you put part of your savings into U.S. Savings Bonds you're helping to build a brighter future for your country and for yourself.

## MERCHANDISING COMPUTERS

### Gavilan offers portable microcomputer; mouse points to desired file on screen

CAMPBELL, CA—Gavilan Computer Corp. is marketing a self-contained, battery-powered, nine-lb., 16-bit microcomputer system. It can operate up to eight hours on its rechargeable batteries or can be connected to ordinary power outlets both in the U.S. and Europe.

A unique feature built into this portable is that the user interacts with the computer via an integrated touch panel, or a solid state mouse. The mouse moves a pointer on the screen to the file or item desired. This portable integrates both proprietary multi-functional software, on plug-in capsules or micro-floppy diskettes, and

MS/DOS operating system software.

The nine-lb. unit includes in a single integrated fold-up package an eight-line by 80-character flat LCD display, full typewriter keyboard and 10-key pad, CMOS technology for minimal battery drain, a built-in 300-BAUD direct connect modem, three-in. microfloppy disk drive in addition to I/O boss.

Internal memory has storage for 80K, 32K of which is user-programmable. The 80K can be expanded via varied options to 336K. Other features include an interface which permits connection with any standard video display using standard software, instead of the system's smaller display; an AC adaptor and quick recharger (110 or 220 volts), and an optional portable printer unit which will print up to 60,000 characters on standard 8½ by 11-in. paper with each charge of its own battery pack, the firm said.

The price for the basic system (main unit, integral microfloppy disk drive, modem, internal processor memory; recharger and Gavilan operating system) will be under \$4,000.

Gavilan Computer Corp., 240 Hacienda Ave., M, Campbell, CA 95008.



Gavilan mobile computer

### Commodore intros 64 series portable

WEST CHESTER, PA—Commodore has unveiled the Executive 64, a portable computer with 64K RAM, a full upper/lower case detachable keyboard, built-in six-in. color monitor and floppy disk drive with 170K capacity.

The unit weighs 27.6 lbs. and

measures five in. by 14½ in. by 14½ in. The Executive 64 computer system is compatible with VIC 20 and 64 peripherals, including the VIC modem. External ports also make possible full-sized monitor and graphic printer hookups.

The suggested retail of the Executive with a single disk drive is \$995. An optional version, with two disk drives, is expected to retail for about \$1,300.

Commodore Computer System Div., 1200 Wilson Ave., M, West Chester, PA 19380.



Commodore Executive 64

### Casio adds \$499 notebook machine

FAIRFIELD, NJ—Casio has entered the notebook computer area with model FP-200 at \$499 suggested retail.

The FP-200 contains 8K RAM expandable to 32K and 32K ROM that can also be expanded internally to 40K. The product comes with BASIC and CETL (Casio Easy Table Language). Features include a built-in spreadsheet program that can be combined with BASIC or used separately, a 20-column by eight-line display that can show data or graphics, a full-size Qwerty keyboard with integral keypad and several built-in ports: RS-232C, Centronics parallel, I/O, cassette and keypad.

Casio, Inc., 15 Gardner Rd., M, Fairfield, NJ 07006.

### Software enhances Hewlett portable

PALO ALTO, CA—Visicalc, Text Formatter, Math, Surveying and Data Communications are titles among the 16K software modules unveiled for Hewlett-Packard's HP-75C portable computer. All of the programs fit into one of three ports on the unit's front panel.

Visicalc provides functions for standard spreadsheet problems and for portable uses, such as travel-expense reports and sales transactions. Text Formatter permits the user to set up margins, merge text and justify to match letter or memo format.

Math Pac enables the user to write math routines and solve complex problems. Surveying tasks such as transversing, inverting, curve layout and radial staking are possible with the Surveying Pac.

The HP-75C can transfer files to other computers over phone lines and link up to information networks via the Data Communications Pac offered.

Hewlett-Packard, 3000 Hanover St., M, Palo Alto, CA 94304.



Sharp PC-5000

### Sharp introduces portable computer

PARAMUS, NJ—Sharp Electronics has entered the portable computer market in two areas: transportables and hand-helds.

The LCD panel on its PC-5000 personal portable computer flips up for use, and folds flat again over the keyboard when desired. In the upright position, it displays eight lines by 80 characters, with a display capacity of 640 by 80 dots (over 51,000 pixels) with bit-mapped graphic capability.

Other features of the 11-lb. unit include 128K RAM expandable to 256K and an additional 128K of bubble-memory storage. The PC-5000 will also accept 128K ROM in cartridge applications using the MS/DOS operating system and GW-BASIC resident in ROM.

Peripherals available for the unit include a printer, 10-key modem/auto dialer and optional disk drives. A cassette interface included with the original console permits read and write to and from standard cassettes.

Initial software will include word processing, communications, spreadsheets, and an executive planner and database manager. The computer can also use MS/DOS software.

Sharp Electronics Corp., 10 Sharp Plaza, P.O. Box 588, M, Paramus, NJ 07652.



Hewlett-Packard portable

### Notebook computer has typewriter keyboard

TORRANCE, CA—Epson America's HX-20 notebook computer comes equipped with a full-size typewriter-style keyboard and 16K RAM and 32K ROM storage capacities.

Retailing for \$795 list, the portable features microcassette storage, a built-in printer, Microsoft BASIC, Skiwriter word processing software and tutorial/reference manuals. Both RAM and ROM memories are expandable.

Software available for the HX-20 includes business and accounting, education and personal development and entertainment and recreation.

Epson America, 3415 Kashiwa St., M, Torrance, CA 90505.



Suncom Aerobics Joystick

### User pedals bike to play videogame

NORTHBROOK, IL—Interactive physical fitness videogames are now possible with Suncom's Aerobics Joystick.

The joystick installs as an interface between most standard stationary exercise bicycles and an Atari videogame console. Suncom noted that the device works best with Activision's Enduro road race game. When the user pedals the bicycle, he causes the car in Enduro to move forward. The faster he pedals, the faster he travels. Shoot-em-up games, the firm added, can work equally well with the Aerobics Joystick.

With a suggested retail of \$39.95, the joystick is also compatible with Atari series home computers.

Suncom, Inc., 650 Anthony Trail, M, Northbrook, IL 60062.

### Computer features 788K disk storage

SOLANA BEACH, CA—The Kaypro 4 personal portable computer, priced at a \$1,995 suggested retail, affords a total floppy disk capacity of 788K. It is designed for use with double-sided double-density disks with 394K memory per disk. As with all Kaypro computers, the machines will be sold with all programming bundled and packaged on delivery from the factory.

The Kaypro 4 employs the eight-bit Z-80 microprocessor and offers a full-featured, standard professional keyboard with 72 keys, including 20 programmable keys plus a 14-key calculator-type numeric keyboard. Features include a nine-in. green phosphor screen which offers an optimum full-page display capable of 80 columns across by 24 lines deep. The unit is compatible with the Kaypro II and 10 other models. Double-sided double-density disks for the Kaypro 4 can be used interchangeably with the single-sided double-density disks normally used on its predecessor, the Kaypro II.

The company has also added software which makes it possible for the Kaypro to read and write files of Osborne, Radio Shack and Xerox. Capabilities to use the Kaypro line with software operated on the IBM PC, Zenith and other machines are also being added.

The price of the Kaypro II has been reduced to \$1,595 suggested retail. Kaypro Corp., 533 Stevens Ave., M, Solana Beach, CA 92075.

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## MERCHANDISING COMPUTERS

### TeleVideo enters portable computer area

SUNNYVALE, CA—TeleVideo Systems has entered the portable computer area with the TeleTote I, priced at \$1,499 retail.

TeleTote I has network capability. An optional RS-422 network port enables the machine to be linked with a TeleVideo network for access to shared files, printers and electronic mail.

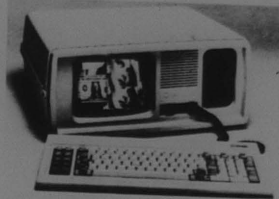
The computer weighs 25 lbs., has a nine-in. video display screen with 640 by 240 high-quality graphics resolution. The screen can display 24 lines of text with 80 characters per line. It is software- and media-compatible with TeleVideo's eight-bit desk-top computer, the TS803.

A Zilog Z-80A CPU and 64 kilobytes

RAM, expandable to 128K, are included. Also part of the package is one 368.6K 5¼-in. floppy disk drive, one SuperMouse port for quick cursor movement and two RS-232 printer/modem ports for hard copy and telephone connections.

TeleTote I comes with the CP/M operating system, the GSX-80 graphics extension, word processing, spreadsheet and graphics software. A second disk drive can be added for \$449 at a later date, or a two-drive system is available for \$1,899. The network option lists for \$495.

TeleVideo Systems, Inc., 1170 Morse Ave., M, Sunnyvale, CA 94086.



Corona Portable PC

### Portable computer has three expansion slots

WESTLAKE VILLAGE, CA—The Corona Portable PC is a 16-bit personal computer with a 320K disk

drive, high-resolution green phosphor monitor, 128K memory, serial and parallel ports, MS-DOS and CP/M-86 operating systems, BASIC with graphics commands and GSX-86 graphics extension.

There are three full-sized expansion slots and one short slot in the portable unit. All boards accommodate an interface for components such as hard disk, communications or color graphics. Memory can be expanded to 512K.

The Intel 8088 microprocessor-based computer costs \$2,395 with one 320K disk drive, or \$2,795 with dual disk drives. A 10-megabyte hard disk version is \$2,695.

Corona Data Systems, Inc., 31324 Via Colinas #110, M, Westlake Village, CA 91361.



TeleTote I portable computer

### WorkSlate prepares business reports

SANTA CLARA, CA—WorkSlate is the first in a family of portable computer-based products for the business consumer market.

WorkSlate combines portable computing power, information storage, data communications and integrated electronic spreadsheets for solving business problems. In addition, the unit adds familiar desk-top tools like a calculator, calendar, address book and telephone.

Users can build integrated electronic spreadsheets for formatting information and data to prepare a wide variety of business and financial reports. WorkSlate is also a tape recorder.

The product is supported by Taskware, or preformed worksheets recorded on microcassettes. Ten Taskware packages, including Portfolio Analysis, Estate Planning and Personal Tax, will be released this fall.

Features on the WorkSlate unit include an eight-bit CMOS microprocessor, which requires only battery power. A typewriter keyboard, calculator pad, LCD screen showing 16 lines by 46 characters and an optional printer are offered as well. The product has 80K RAM and ROM and can store five active work sheets in memory, or save 10 worksheets with concurrent voice annotation on a microcassette.

WorkSlate is priced at \$895; Taskware lists for \$19.95 to \$49.95 each, and the optional MicroPrinter is \$250.

Convergent Technologies, Advanced Information Products Div., 2441 Mission College Blvd., M, Santa Clara, CA 95050.



WorkSlate portable computer

## "In two months, kids will want a Tomy Tutor. In three months, you could be sorry if you don't."

In just a couple of months, Tomy's new easy-to-use computer will hit the market. And you could really profit. As the third largest toy company in the world, Tomy knows kids. But the Tomy Tutor is not a toy. It's a real 16 bit, 16 K RAM computer that just happens to do the things kids want a computer to do.

Like drawing 16 vivid colors to draw with. Four sprites to animate the pictures. All built-in.

Like playing games. Exciting arcade-like play of games borrowed straight from the arcades. Locomotion, Jungler,\*

Pooyan; a whole line of software cartridges (including educational games), joy sticks and joy controllers, all sold separately.

Like programming in BASIC. And BASIC is built-in, too. In fact, the Tomy Tutor has more of what kids want in a computer built right into its memory. Something parents will like when they're pricing computers.

And there's more. Our peripherals add on to your sales. Besides the joy sticks and joy controllers, Tomy offers a Data Recorder for saving programs.

And soon, an adapter which makes the Tomy Tutor compatible with most Texas Instruments cartridges.

How can they resist a 5 day free home trial? Until December 31, 1983, your customers can try the Tomy Tutor for 5 days—free. No risk for them. No risk for you.

Or our advertising. Ads using Sarah Purcell of Real People fame to take the mystery out of the computer. And bring people into your store.

How can you resist our limited distribution rights? We're being very choosy about which stores will carry the Tomy Tutor. And when we limit our distribution, you profit.

So get the first-time customers. Get the Tomy Tutor. Call us at 1-800-421-7384 (in California, 1-800-421-8496) for the name and number of the manufacturing representative in your area. You won't be sorry if you do. And in three months, you could be very sorry if you don't.

\* © Konami Industry  
\*\* © 1983 Wordwright

# TOMY TUTOR

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# 1983 directory of portable computer manufacturers

Listed below are 37 suppliers of portable computers. These are the major forces in a rapidly expanding market. Need to make a quick contact? Here's your guide! For your convenience, the category has been divided into three subgroups: transportables (such as the Kaypro II); portables (the Epson HX-20), and hand-helds (the Hewlett-Packard HP75C).

In addition, this guide is an advance look at what's to come in next month's issue of *Merchandising*. There, our 1984 Directory will provide a complete listing of suppliers of all kinds of computers, peripherals, software and much, much more. Watch for it!

Company	Address	Phone	Type	Contact
Access Matrix Corp.	2159 Bering Dr. San Jose, CA 95131	408/263-3660	Transportable	Charles Yandell director of sales
Athena Computer	31952 Camino Capistrano San Juan Capistrano, CA 92675	714/661-2276	Transportable	Barbara Mistove administrative assistant
Canon USA, Inc. Systems Division	One Canon Plaza Lake Success, NY 11042	516/488-6700	Transportable	Mitsuru Tamai vice president, general manager
Casio, Inc. Consumer Products Division	15 Gardner Road Fairfield, NJ 07006	201/575-7400	Hand-held Portable	Dennis Reer computer marketing manager
Commodore Business Machines	1200 Wilson Dr. West Chester, PA 19380	215/431-9100	Transportable	Myrdin Jones vice president of marketing
Compak Electronics Corp.	P.O. Box 30385 Indianapolis, IN 46230	317/875-0273	Transportable	Paul Myrehr president
Compaq Computer Corp.	20333 F.M. 149 Houston, TX 77070	713/370-7040	Transportable	Dianne Cox advertising administrator
Computer Devices, Inc.	25 North Ave. Burlington, MA 01803	617/273-1550	Transportable	Seaforth Lyle president
Computer Systems	26 401 Harper St. Clair Shores, MI 48081	313/779-8709	Transportable	Martin Wyrod manager
Convergent Technologies Advanced Information Products Division	Great American Technology Center 2441 Mission College Blvd. Santa Clara, CA 95050	408/727-8830	Portable	Matthew Sanders vice president, general manager
Datavue Corp.	1911 22nd Ave. S. Seattle, WA 98144	206/322-9330	Transportable	Gary Hasson vice president of marketing
Digital Microsystems, Inc.	1755 Embarcadero Oakland, CA 94606	415/532-3686	Transportable	Charles Morrissey vice president of marketing/sales
Dynalogic Info-Tech Corp.	8 Colonnade Road Ottawa, Ontario, CD K2E 7M6	613/226-1383	Transportable	C.M. Bell president
Epson America, Inc.	3415 Kashiwa St. Torrance, CA 90505	213/539-9140	Portable	Ron Ockander national sales manager
Findex, Inc.	2921 Dainler Santa Ana, CA 90501	714/546-3551	Transportable	Anthony Bianco, Jr. vice president of marketing
Gavilan Computer Corp.	240 Hacienda Road Campbell, CA 95008	408/379-8005	Portable	Wayne Sennet vice president of sales
Hewlett-Packard Co.	1000 N.E. Circle Dr. Corvallis, OR 97330	503/757-2000	Hand-held Portable	Dan Terpack division manager-portable computers
Jonos	1835 Dawns Way Fullerton, CA 92631	714/999-6661	Transportable	Bill Vaughn sales
Kaypro Corp.	533 Stevens Ave. Solana Beach, CA 92075	619/755-1134	Transportable	David Kay vice president of marketing
MSI Data Corp.	340 Fischer Ave. Costa Mesa, CA 92626	714/549-6000	Portable	Paul Tucker vice president of marketing
NEC Home Electronics (USA), Inc.	1401 Estes Ave. Elk Grove Village, IL 60007	312/228-5900	Portable	Thomas Priestly general manager
Olympia USA, Inc.	Rt. 22, Box 22 Somerville, NJ 08876	201/722-7000	Portable	Sieb Postma vice president of marketing
Osborne Computer Corp.	26538 Dante Court Hayward, CA 94545	415/887-8080	Transportable	Lynn Hagen vice president of sales
Otrona Corp.	4755 Walnut St. Boulder, CO 80301	303/444-8100	Transportable	David Ridge marketing director
Panasonic Consumer Products	One Panasonic Way Secaucus, NJ 07094	201/348-7818	Portable	William Kopp assistant general manager
Quasar Co.	9401 W. Grand Ave. Franklin Park, IL 60131	312/625-0020	Portable	Jerry Greenwald national sales manager
Radio Shack/Tandy Corp.	1800 One Tandy Center Fort Worth, TX 76102	817/390-3011	Portable	Mark Yamagata director of merchandising
Seequa	209 West St. Annapolis, MD 21401	301/268-6650	Transportable	Jim Hoffman vice president of marketing
Sharp Electronics Corp.	10 Sharp Plaza Paramus, NJ 07652	201/265-5600	Hand-held Portable	Brelan Holley national sales manager
SMC Computer Corp.	3780 Green Industrial Way Atlanta, GA 30341	414/452-7670	Transportable	Neil Chernoff president
Spectravision, Inc.	39 W. 37th St. New York, NY 10018	212/869-7911	Transportable	Harry Fox president
STM Electronics	525 Middlefield Road Menlo Park, CA 94025	415/326-6226	Transportable	Gerald Hsu president
Telcon Industries	1401 Northwest 69th St. Ft. Lauderdale, FL 33309	305/971-2250	Transportable	Sydney Simon president
Teleram Communications Corp.	2 Corporate Park Dr. White Plains, NY 10604	914/694-9270	Transportable	Bob Schwebel vice president of marketing
Televideo Systems, Inc.	1170 Morse Ave. Sunnyvale, CA 94068	408/745-7760	Transportable	Chuck Kempton vice president of systems
Texas Instruments Consumer Products Division	P.O. Box 53 Lubbock, TX 79408	806/796-3210	Portable	Ed McNally director of sales
Timex Computer Corp.	Waterbury, CT 06720	203/573-5141	Portable	Daniel Ross vice president of operations

# ACTIVISION ANNOUNCES TWO EXPLOSIVE NEW GAMES FOR THE ATARI 5200™!



River Raid™ and Kaboom!™. Both million-seller hits on the Atari® 2600® system, they're our first two games for this hot-selling system. With sizzling new graphics that really let the Atari 5200® show its stuff, while it's showing ours.

Carol Shaw's River Raid. The mission: destroy bridges along the unpredictable 'River of No Return'... Choppers, 3 o'clock... fighters closing!... Tanks, shooting back!... watch out, observation balloons!... Refuel!... East Canyon... Negative!... Too late...



Kaboom! adapted by Paul Willson, is a simple game of catch... with bombs... that keep coming. Faster and faster and accompanied by the 1812 Overture. And now, when two people play, one can be the bombardier and one can be the bucketeer!

Add River Raid and Kaboom! to your arsenal of games for the Atari® 5200®. Before you're bombarded with requests during the holidays. See your Activision® Representative for details.

**ACTIVISION**  
We put you in the game.

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## NEWSLINES & VIDEO & AUDIO



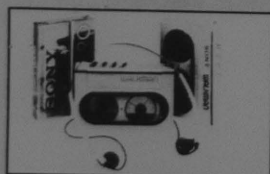
CBS/Fox releases  
Fairy Tale Theatre



Display houses  
pre-wrapped Disney titles



CED player features  
random access



New Walkmans are  
cassette-sized

**LANCASTER, PA**—Squarer screens and new sizes in color picture tubes from domestic TV manufacturers will reach the consumer market in mid-1984, according to RCA. The firm has plans for a 26-in. diagonal screen which will be followed by 20-in., 14-in. and 16-in. tubes later next year. The tubes will provide sharper images at the corners of the screen than existing color picture tubes and will employ the COTY-29 system introduced earlier this year (see *Merchandising*, April '83, page 26). RCA has begun providing specifications of the COTY FS (full square) series of tubes to domestic TV manufacturers that it supplies with picture tubes.

The company is also developing a series of COTY SP (square planar) tubes that will provide a flatter appearance and carry higher prices, said Charles Quinn, vice president and general manager of the video component and display division.

**NEW YORK**—Betamovie is available now. Shipments were to begin in late September, reported Edward Adis, senior vice president of consumer sales, Sony, at the product's official unveiling here last month. But numbers are tight. There will just not be enough goods to meet fourth-quarter demand, he said. Consequently, distribution is being handled selectively. Video specialty dealers and department stores plus merchants who have supported the Beta format all along will get first dibs at the \$1,595 product. "In 1984, we'll be better able to realize our long-term objectives," Adis continued.

To let consumers know about Betamovie, both a newspaper and a TV campaign are being kicked off this month. Initially 12 markets are being targeted, said Jeff Brooks, advertising manager. They are New York, Chicago, Los Angeles, Philadelphia, Miami, Dallas, Houston, San Francisco, Detroit, Atlanta, Washington, DC, and Cleveland.

**VSDA NEWS, SAN FRANCISCO**—Initial orders for Flashdance, Paramount Home Video's \$39.95 release, total a record-breaking 150,929 units, according to Tim Clott, vice president and general manager...MCA Home Video plans to begin releasing all its Beta cassettes in the Beta HiFi format. The first will be Yoga Moves, an exercise tape. The firm has also dropped the prices from \$89.95 to \$39.95 on four titles: Endless Love, Bustin' Loose, The Four Seasons and Ghost Story. They will be shipped at that price on Oct. 6...Pacific Arts Video Records will begin releasing several of its titles in CED, as the result of a custom pressing agreement with CBS, Inc. Elephant Parts and Timerider will be followed by The Firesign Theatre presents The Case of the Missing Yolk and My Dinner with Andre.

CBS/Fox Video has acquired the home video rights to the acclaimed Fairy Tale Theatre series originally aired on the Showtime cable channel. Produced by actress Shelley Duvall, the series features stars including Robin Williams, Mick Jagger, Christopher Reeve and Bernadette Peters, as well as Duvall herself, in hour-long enactments of 15 popular fairy tales. Five titles will be released this month. They are The Tale of the Frog Prince, Jack and the Beanstalk, Rapunzel, Sleeping Beauty and Goldilocks and the Three Bears. All the releases will be closed-captioned for the hearing impaired...MGM/UA has produced a 16-page "Family Guide to Home Entertainment" which will be made available to dealers and distributors to give to their customers. It will also be inserted into Sunday newspapers in selected markets this fall. The guide tells consumers how to design a personal video library and describes MGM/UA's library. A sweepstakes, offering a 25-in. color TV as grand prize, is also detailed inside.

Disney is reducing prices on seven videocassette titles and packaging them "wrapped and ready to give" for its holiday promotion through Jan. 31. Dumbo, Tron and The Black Hole will carry suggested retail prices of \$39.95 during this period. A Walt Disney Christmas, On Vacation with Mickey Mouse and Friends, Kids is Kids and The Adventures of Chip 'n' Dale will be priced at \$29.95. Dealers who submit qualifying orders will receive a freestanding floor display. Other p-o-p materials that will be distributed to dealers include poster, counter card and a 120-minute in-store tape featuring clips from the seven titles. The promo will be supported by national consumer advertising.

**INDIANAPOLIS**—Shipped last month was the first interactive CED videodisc player, from RCA. The player, model SLT 400, carries a suggested retail price of \$499.95 and features stereo sound and remote control. The unit allows users to play "games" on interactive videodiscs. They can also access various segments of programs on "banded" videodiscs, playing up to five in any desired sequence or any one segment continuously. The first interactive CED discs, which were also shipped last month, are Many Roads to Murder, second in the Mystery Disc series, and A Week at the Races, a horse race game that comes with play money. A third, The Entertainment Game, a trivia quiz, has an uncertain release date. CBS Publishing, Walt Disney Home Video and Paramount Home Video are developing interactive programs for the system, RCA said.

Another banded disc from RCA will contain information on RCA products and will be made available to dealers for sales training and consumer education.

Coinciding with the introduction of the interactive CED player is an expansion of marketing activities surrounding the CED system, according to Roy Pollack, executive vice president. A new RCA VideoDisc Division has been created, and Arnold Valencia was named vice president and general manager. It was created to unite marketing efforts behind CED hardware and software.

**PARK RIDGE, NJ**—A Walkman the size of a standard audiocassette case? That's the latest innovation in personal portables from Sony Consumer Products Co. The WM-10 Super Walkman, retailing for a suggested \$99.95, weighs 6.4 oz. and plays for five hours on one AA alkaline battery. It also features Dolby B noise reduction and metal/normal tape switch. It is available now. In November, Sony will begin shipping the WM-F10 (\$129.95), which is the same size as the WM-10, but includes FM radio. Both feature Sony's new MDR-W30 headphones with earpieces that rest inside the ear and use a front-firing design said to improve treble performance. John Briesch, vice president of audio marketing, called the suggested list prices on the two items "key price points," positioned just above the lowest-priced Walkman in Sony's line.

Sony plans to spend several million dollars to promote the new Walkmans. For the fourth quarter, the products will be advertised on TV in 20 major markets, in 12 major consumer magazines and in local newspapers. The company will also sponsor two \$25,000 sweepstakes with the theme "The Smaller the Better." They'll begin Oct. 10 and Nov. 21.



A GRALLA PUBLICATION

# Merchandising

NOVEMBER 1983

**Home and Auto Electronics • Housewares • Major Appliances**  
THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

Guide to  
Products,  
Services &  
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**DIRECTORY**

Also in this issue:

Ninth annual survey tracks 1983's  
turnaround in major appliances

Video software dealers find  
computerization crucial to success

Stainless steel shines as cookware  
volume continues to climb

Danger: You could be stocking  
too much computer software

## TRENDINGS IN COMPUTERS

### High-end computer owners say they've found satisfaction

Contrary to some earlier reports, many of those computers being snapped up by consumers this year are not ending up as dust collectors. It appears that very few are being stashed away in attics and closets by frustrated customers.

So implies a survey recently conducted by DataPro Research Corp. A majority of the 6,000 respondents are "highly satisfied" with their systems. Seventy-eight percent said they would recommend their system to others.

But there's a catch—more than 60 percent of the users paid \$1,500 to \$4,000 for their systems, and 95 percent of those purchased have at least 64K bytes of main memory. This means most of these consumers are not going to outgrow their new computers in a matter of days (or hours) after getting them home.

It also indicates that these consumers are ripe for making add-on purchases of peripherals and software, which is something retailers should be primed to take advantage of.

It's interesting to study what it is these computer owners like about their systems. Retailers take note:

Cost performance ratios, reliability and operating ease are the three biggest keys to user satisfaction, says the survey.

Perhaps most interesting is the finding that although cost performance ratios are rated the most important factors by all users, they are even higher for users of systems under \$3,000. Therefore, it is a good idea to stress this area when making a sales presentation.

Other keys to user satisfaction (in order of importance) are: human interface, keyboard, documentation and speed of disk access. Also worth noting is that the single largest factor decreasing satisfaction overall is vendor support.

Although vendor support is the most often-cited problem, computer users rated the five most frequently cited manufacturers between good and excellent. The top five are: Apple, IBM, Radio Shack, Commodore and Osborne.

The 10 most popular microcomputers, according to the survey, also account for 64 percent of the market. They include the Apple II+, IBM PC, Commodore 64, Osborne I, TRS 80 III, Kaypro 2 and the Apple IIe.

Just as users are willing to spend more for hardware that can grow with them, the survey also indicates a similar taste in software. The 1-2-3 program from Lotus Development Corp. was listed as the most popular title by 7.2 percent of all respondents, despite only being commercially available for six months at the time of the survey. This software, which includes a spreadsheet with built-in graphics, indicates a trend toward high-end integrated software, something retailers should watch out for.

In general, users are pleased with the software currently available on the market. Five out of six types of

software packages were given a "good" rating: communications, word processing, electronic spreadsheet, operating systems and database file management. Only accounting software received a fair rating.

In the area of operating systems, Apple-DOS software received the most votes, 26.3 percent. This does not come as a surprise since Apple is the most commonly owned system among respondents. CP/M software won 23 percent of the responses and PC/MS captured 19 percent.

In word processing software, MicroPro Wordstar was voted most popular by 40 percent of the respondents. Second came Apple's AppleWriter with 20 percent.

The survey also notes that more and more computer buyers are purchasing the same brand of monitor as their CPU of choice. This indicates that the public is, indeed, going for the "packaged" approach.

It would appear that today's computer customer likes having some of the purchasing decisions already made for him—either by the manufacturer or the retailer. And making the system easy to buy can only broaden the market and keep potential customers from fleeing in confusion before the sale is closed. ●



Patricia Monahan

### Bill Harlow was around when white goods were brown.



"I even remember the card we propped in the window to tell the ice man how many pounds we needed. And the lake on the kitchen floor when the drip pan unexpectedly overflowed," says Bill, vice president and national accounts manager for appliance floorplanning.

He clearly recalls the ice box in his childhood home. In his lifetime, Bill has seen products go from homemade to high tech. And he's helped a lot of small businesses grow big along the way.

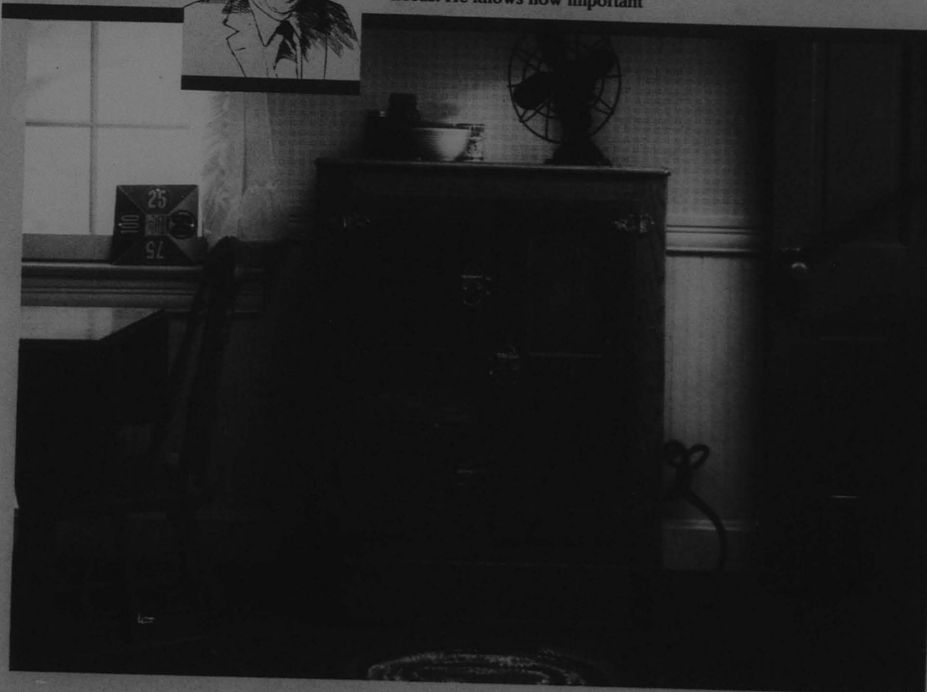
Bill's interest in your business goes far beyond what you might expect. He is well equipped to tailor competitive financial packages to serve your individual needs. He knows how important

precision timing can be when you need to extend your line of credit. And how vital it is to have a source of capital that never runs dry. Plus, Bill knows how to muster the resources of ITT in the way that will help you the most.

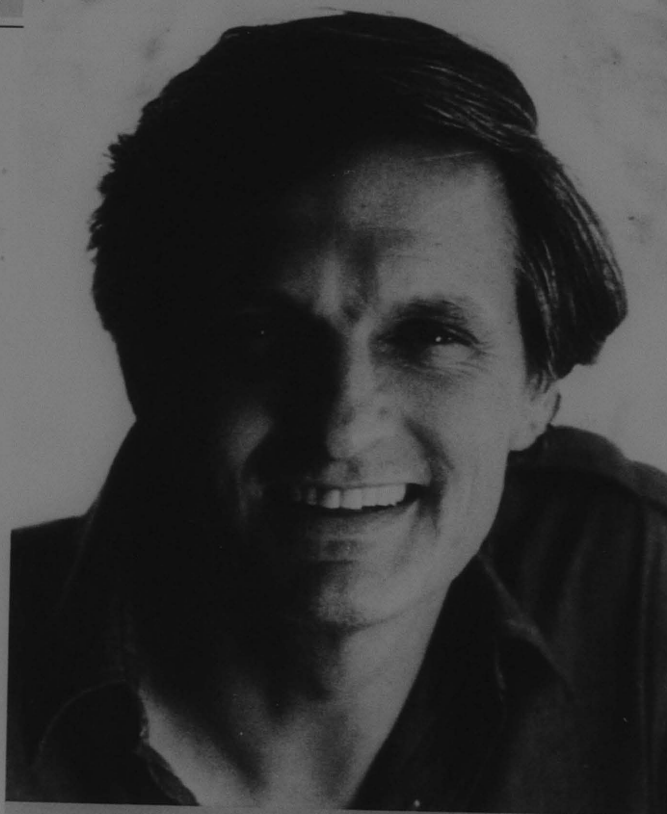
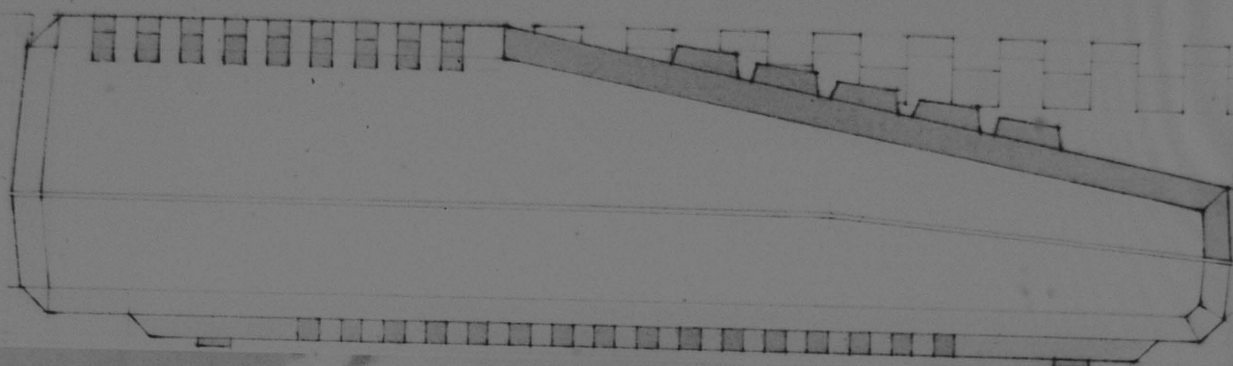
He's even willing to give valued customers like you a free ITT computerized inventory report that lists every model on your floor each month.

So call us at 800/325-9590 and ask for the guy who remembers the ice box. Bill's got a financial package for you that's truly up-to-date.

**Making floorplanning history every day.**



**Editor's Note**—With this issue, associate editor Patricia Monahan takes over the computer beat.



# ALDA FOR ATARI



# Atari® is putting America's best known, best liked computer enthusiast to work for you.

**A**lan Alda believes in the computer revolution. And in Atari's new XL Computer System. So starting this Fall, Alan Alda will be featured in the most important advertising campaign Atari has ever run for any of its products.

## **Alan Alda Knows Computers.**

It's hard to imagine a better person to tell people about ATARI Computers. Alan bought his first computer in 1980. He programs in two languages. His new ATARI Computer is kept busy helping edit scripts, speeches and correspondence; collecting and storing background information for future projects; even helping sort out audience research. Alan's ATARI Computer is "... going all the time!"

## **America knows Alan Alda.**

The prestigious TV Q national survey rates Alan as the best known, best liked television personality in America. America trusts Alan Alda because it's obvious that he doesn't get involved with anything he doesn't really believe in.

## **Demonstrating how America can do more with Atari's new XL Home Computers.**

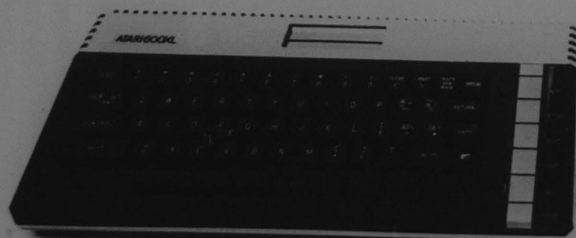
Alan will be telling your customers about the most exciting new home computers of the year, the ATARI XL Systems: Four beautifully designed computers and thirteen versatile peripherals. But just as important, Alan will be demonstrating some of the more than 2,000 software programs people can run on the new ATARI XL Computers.

## **Alda, only for Atari.**

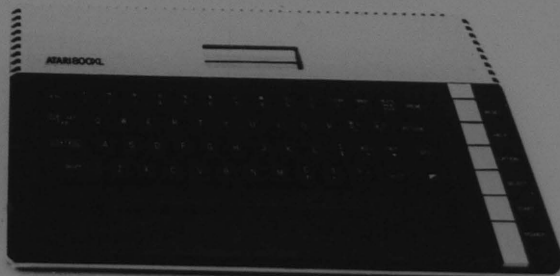
Atari's Fall advertising program is the most important television and print effort in the industry. It will deliver over 1.5 billion network TV impressions. And that doesn't count additional spot support in key markets. The print advertising schedule will include attention-getting spreads in newsweeklies, science-oriented magazines and computer buff publications.

In short, Atari and Alan Alda are both totally committed to getting America into computers. And we know the first step is to get America into your store.

## **You'll do more with Atari Home Computers.**



**ATARI 600XL™**



**ATARI 800XL™**

# TELEPHONES & Personal Elec- tronics

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## Chess & Games still nabs game volume, thanks to very knowledgeable sales force

By Debbie Rosenblum, field editor

TORRANCE, CA—Turning a profit with videogames and electronic games is not as easy as it once was. But Chess & Games Unlimited, a five-unit chain, has managed to nab a good share of the business in the Los Angeles area, thanks to a knowledgeable sales staff with a penchant for game playing.

The chain caters to college-educated, white-collar 20- to 40-year-olds who have an annual income of \$20,000 or more. "These people can be very competitive. They love playing games," noted manager Dave Ulmer.

Sales, however, are not as high as last year when videogames were booming. "Then, videogames alone accounted for a good 60 percent of our total volume," Ulmer said. Currently, electronics are running at about 40 percent. The remainder of sales come from non-electronic board games such as Monopoly.

But the decrease in electronics sales is not a major concern to Chess & Games. "Electronics is in a transition stage now," pointed out Ulmer. "We're not sure where the next large growth area will be, but when it comes we'll be in front of the line."

In the interim, the chain is capturing a lot of business that many retailers have let fall by the wayside. A prime example is chess computers. "They tapered off industrywide during the videogame boom," Ulmer stated. "But here, they've always sold well."

### Caters to celebrity shoppers

In addition to catering to a large intellectual clientele, Chess & Games also attracts many celebrity shoppers, such as Martin Sheen and Marlon Brando, usually at the chain's W. Los Angeles store.

"Celebrities have no qualms about spending hundreds, even thousands of dollars. They like the things that are 'neat' and appeal to the child in people," Ulmer explained.

Many of the store's more mundane customers also don't care how much money they shell out. "More than three times, I saw people buy an Atari 400 just to play Pac-Man," Ulmer told *Merchandising*. "That happened when the unit cost \$300 and the cartridge was \$40. It didn't phase them a bit to fork out the money."

The chain's videogame mix is less than it was a year ago. But it still aims to satisfy the needs and wants of Chess & Games customers.

"Last year we were selling four game units—Intellivision, the Atari 2600 VCS, Vectrex and Coleco-Visio," Ulmer explained. "We also had the Atari 400 and Commodore VIC 20 computers. Our approach to computers was the game aspect. Up until recently, all they were used for was entertainment."

Now the firm only stocks Coleco-Visio. "We held on to that system because we think it's sophisticated enough for our clientele. In the end, we dropped both of the home computers for the same reason: We're a game store, not a computer store," he said.

Nevertheless, Chess & Games carries "cartridges for virtually every



TESTING GAMES firsthand puts salespeople at Chess & Games in the position to recommend the best unit for the customer. Dave Ulmer, manager (right), is shown here assisting a patron.

game unit as well as game software for the Apple, Atari and Commodore systems," Ulmer said. "A lot of our customers own home computers, and we believe it's important to have game software in stock for them. Even though the main use of the systems isn't game playing, people who own them take advantage of that capability."

The situation with other electronic games is a bit different. "We didn't feel the crash as much as we did with videogames," Ulmer said. "The bottom did fall out of toy electronics—the hand-held football, baseball and other sports models. They evolved into the sophisticated games we now carry."

In stock are chess, backgammon, bridge, gin, cribbage and scrabble, to name a few. "I expect computer games like these to do very well this Christmas. Sales won't explode, but they'll hold their own," Ulmer predicted.

### Hires personnel carefully

A major key to the success of Chess & Games is a knowledgeable sales staff. "We have a lock on the market, mainly because we play the machines everyday," said Ulmer. "Our employees really enjoy finding out firsthand what the machines are capable of doing."

Chess & Games didn't acquire such a gifted staff by accident. "When hiring, we screen people very carefully," Ulmer pointed out. "I basically look for someone who is intelligent and has basic communication skills, initiative and a competitive streak."

The situation has led to a rather unusual symbiotic relationship be-

tween Chess & Games and its major suppliers. "Before a new product is introduced to the market, manufacturers send it to us, we evaluate it and let them know what we think of it—if something needs to be changed or if it will do just fine the way it is," Ulmer explained.

"For example, we have a chess master working for us," he noted. "He sits down with almost every new chess machine. After he checks it out, he passes on his evaluation to the buyer who in turn passes it on to the company. The vendors love that kind of feedback. And they do make adjustments when they agree that they'll make the game more challenging or more exciting."

"A customer may walk in and say he wants X machine. We can say we saw it, played it, found there was a problem with it and recommend another. A lot of places can't do that because they don't know the machines inside and out like we do," Ulmer said. "So they end up selling what the customer later learns is a lemon. He's never going to go back to that store unless it's to return the product."

It's no surprise that chess computers are a top seller for the chain since it caters to an upscale clientele. "Our customers don't fit the mass market profile," Ulmer reminded.

The store carries chess units ranging in price from \$40 to \$1,700. "The average sale is around \$250," Ulmer said.

"In August, people were already buying chess computers for Christmas gifts," he added. "People would buy five or six in one shot for their friends and kids. These sales could amount to \$1,000."

# NEWSLINES

## Telephones & Personal Electronics

### Phone market will grow to \$502 million by 1985

NORWALK, CT—The \$281-million consumer telephone equipment market will leap to \$502 million by 1985, according to a report from International Resource Development, Inc., (IRD). The report predicted big opportunities for independent manufacturers when the Bell Operating Companies (BOC) are "spun off" next year, but said that much of the business may go overseas. The new Bell operating groups will want to differentiate their consumer premise equipment from that of AT&T's American Bell subsidiary, and will turn to outsiders to help them do this.

"Far Eastern and European manufacturers have innovative consumer telephone products ready for market, and are ready to supply the new BOC's with these products," said Lawrence Gasman, project manager for the IRD report. Gasman also expects that the BOC's will look increasingly to suppliers in low labor cost areas for basic products such as regular phones.

### Kraco launches ad plans; Coleco runs rebate offer

**PROMOTION PIECES**—Kraco has launched the most aggressive ad campaign in its history. The 10-week multi-million dollar national TV promotion will run through mid-December.

The commercials feature the firm's telephone and autosound lines. The spots will be aired



Dracula promotes Kraco cordless phones

on such programs as NFL Football, the Tonight Show, NBC Sportsworld and All in the Family.

Cordless phones by Kraco will be promoted in two commercials featuring the talents of master impressionist Jan Leighton, the "man with

2,000 faces." In one commercial he portrays four famous characters—Dracula, Albert Einstein, Humphrey Bogart and Napoleon. In the second commercial he is disguised as Santa Claus.

Coleco Industries, Inc., is running a consumer rebate program on its line of portable electronic arcade games. The program offers a \$10 rebate to consumers purchasing any of the seven games through Jan. 31.

A "buy two for the tree and get one free" Christmas promo has been announced by Timex Corp. The promo runs through Jan. 16. During this period,

consumers who buy any two Timex watches will receive one free Golden Accent quartz digital.

### AT&T vows to continue being an industry leader

CHICAGO—The breakup of AT&T on Jan. 1, 1984 will in no way weaken the firm's commitment to be a leader in the telecommunications industry, in the opinion of Robert Allen, the company's executive vice president and chief financial officer.

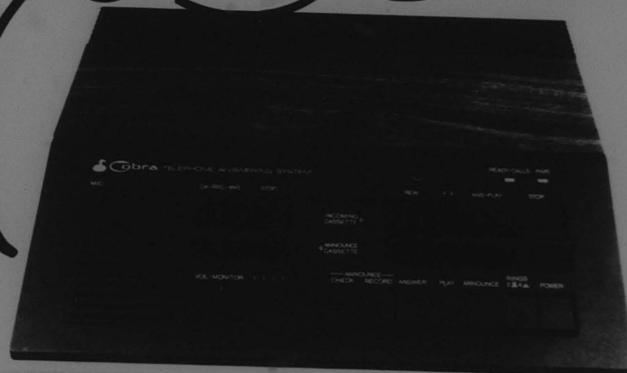
Speaking at a recent meeting of The Investment Analysts Society in Chicago, he said,

"Some people wonder whether AT&T can really run a competitive business. Well, we have, we can and we will. In the new environment, we intend to be selective in our choice of markets, our products and our services."

Allen emphasized that the reorganization of the company will "enable us to get to the marketplace with the right products at the right time at the right place. We have the R & D resources, the manufacturing experience, the marketing drive, the financial strength and customer loyalty to help us succeed in the competitive market."

**BEEP!**

The message is simple: Cobra brings you the lowest priced line of feature-packed quality telephone answering systems in the business. Model for model, Cobra answering machines give customers more of the features they want at prices that proclaim "Cobra's the one to buy!". And you get full margins. Check our easy-selling prices below. Then see your Cobra distributor or contact us to get in on the action.



**\$99.95**

suggested list  
Lookin' good for a low cost leader. I'm a dual-cassette beauty that moves right off the shelf.



**\$129.95** suggested list

Strictly class. Move 'em up to VOX, Disconnect Director and my warm walnut look.



**\$149.95**

suggested list  
Top drawer. All Cobra features plus my 2-function remote key and quick-erase to liven up your sales.



**Cobra**  
**TELEPHONE ANSWERING SYSTEMS**  
The Message Is Simple

Innovative Products for Changing Lifestyles  
Cobra Communications Product Group DYNASCAN CORPORATION 6460 West Cortland, Chicago, IL 60635



## TELEPHONES AND PERSONAL ELECTRONICS PRODUCTS

### Hotshot dialer fits into modular jack

BOSTON, MA—A one-number instant access dialer, the Hotshot, has been released by Zoom Telephonics, Inc. The device is designed to ease the user's dialing with alternate long distance services such as MCI and Sprint.

When using the product, the caller touches one button on a tone-type phone and then dials the 10-digit number. First, the Hotshot dials the computer access number then it detects the computer dial tone. Finally, it dials the billing, which is typically a total of some 13 digits or more, to access the services.

For toll services which require



Zoom Telephonics Hotshot

dialing the billing code at the end of the 10-digit long-distance number, such as the ITT system, the Hotshot will also operate in this alternate mode by actually counting digits entered by the user.

The unit can be programmed to dial any number up to 31 digits long. It can also guard against use of the billing code from an unauthorized location, which thereby protects the user's service rights.

It requires no battery backup to work and will never lose its memory, the maker said. By plugging it into any modular jack, all of the tone-type phones within the home will have instant access capability. Suggested retail price of the Zoom Telephonics Hotshot is \$80.

Zoom Telephonics, 207 South St., M. Boston, MA 02111.



Reach two-way radio

### Two-way radio has six-channel design

LINCOLN, NE—A two-way radio has been introduced by Reach Communications Corp. The radio delivers five to 25 watts of continuous and 40 watts of intermittent power for clear reception on VHF and UHF frequencies.

The product's six-channel design can be expanded to 12 channels. The radio has an all-metal, molded case to protect itself when mounted in trucks or under dashes.

A battery pack is available for portable use at construction sites, remote areas or anywhere a self-contained power source is needed.

Reach Communications Corp., 301 S. 68th St., M. Lincoln, NE 68510.

### Calculator produces 7 lines per second

LOMITA, CA—A printing/display desktop calculator has been added to Teal Industries' line. Model 212PD produces a 12-digit display and two-color ink roller printing on standard roll paper.

The unit can be operated on four AA batteries. The calculator uses a "Teal Touch" keyboard for maximum finger contact.

The calculator's Seiko printer prints one to seven lines per second. The machine can perform repeat addition/subtraction, chain multiplication and division, mixed calculation, memory calculation, percent, add-on/discount calculation, GPM calculation, item count and non-add.

### Dialer remembers up to 100 numbers

LANCASTER, NY—The Dial-It Pro dialer, model DP100, from Dictograph features a 100-number portable memory and direct tone dialer with an LCD calculator, alarm, reminder and call times.

Suggested retail price of the Dial-It Pro is \$59.95. The Dial-It, model D100, (without LCD calculator and alarm) is \$39.95.

Dictograph U.S.A., 3573 Walden Ave., M. Lancaster, NY 14086.



Dictograph dialer

In addition, the unit has a full floating or fixed decimal switching. Suggested retail price is \$99.95.

Teal Industries, Inc., 1741 Lomita Blvd., M. Lomita, CA 90717.



Teal printer calculator

### Phone clock radio offers snooze alarm capability

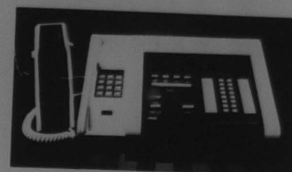
TROY, MI—A telephone/clock radio has been debuted by Alaron, Inc. The Rhapsody, model RY-168T, features LED digital display, AM/FM radio, clock with snooze alarm, hour and minute time settings and an automatic sleep shutoff for up to one hour and 59 minutes.

The touch/pulse phone has mute and automatic redial features, ringer on/off switch, automatic radio shutoff when telephone is engaged. It has a suggested retail price of \$49.95.

Alaron, Inc., 185 Park St., Box 550, M. Troy, MI 48069.



Alaron phone/clock radio



Audec Command Dialer

### Telephone can dial by 'hearing' voice

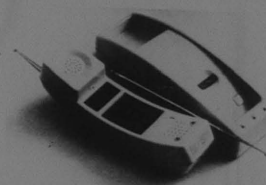
SADDLE BROOK, NJ—A phone that can be dialed by using a voice has been debuted by Audec Corp.

The Command Dialer is capable of recognizing spoken names and words and matches them with previously stored phone numbers, for automatic dialing. The user can program up to 16 frequently called numbers using his own voice.

To call one of the pre-programmed numbers, the user speaks the pre-programmed word into the phone.

Other features of the unit include visual feedback to verify pre-programmed numbers, hands-free speaker phone, battery backup for auto dial, last number redial for up to an hour, digital alarm clock with battery backup and tone ringer with silencer. The phone can be used with alternate long distance phone services such as MCI, even on a rotary line.

Audec Corp., 299 Market St., M. Saddle Brook, NJ 07662.



Arthur Fulmer cordless phone

### Cordless phone operates on rotary and tone lines

MEMPHIS, TN—A cordless phone with a 700-ft. range has been debuted by Arthur Fulmer, Inc., Electronics Div. Model 15-1600 offers universal pulse dialing and is compatible with both rotary and pushbutton lines.

A one-year warranty comes with the model and a lifetime warranty is available. List price is \$149.95.

Arthur Fulmer, Inc., Electronics Div., P.O. Box 177, M. Memphis, TN 38101.

### Hand-held games offer challenges for everyone

NEW YORK—The Gakken Co., Ltd. has debuted a line of computer-programmed, hand-held electronic card games. The games are geared towards three categories: children, young adults and adults.

The children's games include Donkey Angler, Jumping Boy, Tom & Jerry Popper, Tom & Jerry Prank, Kitchen Panic and Circus.

The young adult category consists of Pinball, Soccer, Towering Rescue, Runaway and Trojan Horse.

The adult category initially includes a compact electronic Backgammon game which can be played by one person against the computer.

Gakken Co., Ltd., 1107 Broadway, M. New York, NY 10010.

## Winègård Phöne.A.Tennà™

### Extends cordless telephone range up to 3 times!

Here's the best quality, best working cordless phone antenna on the market... a very useful accessory for your customers... a very profitable item for you. Simple installation. Mounts outdoors. Does not void telephone warranty.

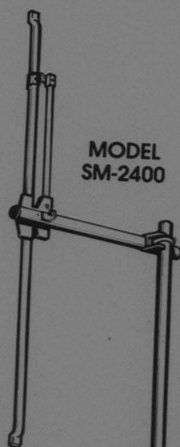
COMPLETE KIT includes antenna, 40' coaxial cable, adaptor and easy instructions.



For details and where to buy, contact

**WINEGARD®**

WINEGARD COMPANY • 3050 KIRKWOOD STREET • BURLINGTON, IOWA 52601 • (319) 753-0121



MODEL SM-2400

## Palmtex hand-held videogame provides interchangeable cartridges, color screen

FOSTER CITY, CA—A palm-sized portable videogame system with interchangeable cartridges has been debuted by Palmtex, Inc.

The battery-powered, pocket-sized device resembles a rectangular hinged cosmetic compact case. When closed, it measures 4.75 in. by 3.5 in.

When operated for play, the lower panel acts as a command console with controls for character movement, skill level selection, sound muting and other functions. The upper panel has a receptacle for plug-in game cartridges. It can transmit colors, shapes and movements in eight directions on the PVS liquid crystal display.

The display screen measures 2.2 in. by 1.4 in. The user can adjust the skill level controls on the command console to challenge himself.

Two cartridges have been released

to use with the system.

React Attack is a maze-adventure game in which players search up to 48 computer-generated rooms of a nuclear plant for facts and clues that will lead to prevention of a reactor melt down.

Outflank is an electronic version of an ancient strategy game called Go. The player attempts to capture lighted squares moved by the PVS computer. When asked, the computer gives advice to the player.

Other games scheduled for introduction include Aladdin's Adventures, Strike It Rich and Androids.

Suggested retail price of the command console is \$49. A console prepackaged with a React Attack cartridge lists for \$69. Game cartridges have a \$19 price tag.

Palmtex, Inc., 1167 Chess Dr., Suite E, M, Foster City, CA 94404.



Royal Cavalier 1000

## Typewriter corrects all mistakes easily

WINDSOR, CT—Royal Business Machines' Cavalier 1000 electric typewriter incorporates nine timesaving correction keys with keyboard ribbon advance.

Other features include automatic return, segment shift, back space, automatic repeat keys and preset tabs. The typewriter also offers a clear plastic card holder with line indicator and ruling device, automatic ribbon reverse, retractable paper support arm, line space selector, touch set margins, ribbon color selector and carriage release lever.

Suggested retail price of the Cavalier 1000 is \$295.

Royal Business Machines, Inc., 500 Day Hill Road, M, Windsor, CT 06095.

## LeTel telephones offer pick of 6 varied colors

GARDENA, CA—A series of two-piece telephones has been unveiled by LeTel Electronics, Inc. Units in the 1200 Twiny series are fully modular.

The Twiny series is available in six colors. Suggested retail price is about \$29.95.

LeTel, 17923 Western Ave., M, Gardena, CA 90248.



LeTel Twiny phone

## Product logs time when calls come in

MT. VERNON, NY—A time-logger for answering machines has been introduced by Delcor Electronics. The Answer Time model plugs into a phone line and a voice is recorded with each incoming call. This tells the user the exact time each call is received.

Answer Time can be installed in three minutes without using any special tools, maker claimed. Micro-electronic circuitry is used to generate the synthesized voice announcement and quartz crystal control ensures accurate time announcements.

The device is powered by a standard battery and carries a one-year warranty. Suggested retail price is \$295.

Delcor Electronics, 124 W. Lincoln Ave., M, Mt. Vernon, NY 10550.

## Radar detector features built-in warning buzzer

HAUPPAUGE, NY—Audiovox Corp. is now marketing a X/K band radar detector through its AVX division. The unit features adjustable sensitivity control, built-in warning buzzer and LED alert light.

The radar detector's dual-conversion super-heterodyne circuit pro-



Audiovox radar detector

vides maximum range while discriminating between actual radar signals and interference. The circuit detects both "X" and "K" police radar bands, up to five times the range detected by conventional circuits, maker claimed.

The unit's power cord plugs into a cigarette lighter. Suggested retail is \$220.

Audiovox Corp., 150 Marcus Blvd., M, Hauppauge, NY 11788.



Ma Best auto pager

## Device pages user, can take messages

N. HOLLYWOOD, CA—The Quik Caller Auto Page system has been released by Ma Best Telephone Products. Model 600 is a single-line, phone-line powered unit that is connected to a remote phone answerer and a phone line.

The system's main function is to take incoming calls and give the caller a response. Immediately after taking the caller's message, the party called will be alerted through his paging service to call back his answerer to retrieve the message.

The paging computer number is programmed into model 600. It recognizes when the answering unit has taken a message. Ten seconds after the answerer clears the line, it picks up the line again and dials the paging computer number. It will continue to redial the number if it is busy.

A 30-second fast repeating tone signal is transmitted to the user's beeper and tells him if he has a message waiting on his answerer. When the message has been retrieved, the user sends a five second tone signal to the answerer to clear the line and reset the unit for the next call.

Ma Best Telephone Products, P.O. Box 4522, 5301 Laurel Canyon Blvd., M, N. Hollywood, CA 91607.

## Telephone collects coins for local calling usage

WALTHAM, MA—The Paymark tabletop coin telephone has been presented to the U.S. market by GNT Automatic, Inc., the U.S. subsidiary of GNT Automatic of Copenhagen.

The phone permits business professionals to offer local telephone usage to customers while collecting coins for local calls. An average of 15 calls per day at 25 cents each will yield an annual return of \$1,365. The use of a special key permits the owner to make coin-free calls. Suggested retail price is about \$800.

GNT Automatic, Inc., 1560 Trapelo Road, M, Waltham, MA 02154.



GNT Automatic phone

## Messages resemble celebrities' voices

FORT LAUDERDALE, FL—A line of taped messages for use in telephone answering machines has been developed by Project Marketing Group, Inc. Sixty-four sound-alike voices of such celebrities as Sylvester Stallone, Mae West and Humphrey Bogart have been developed.

Each Celebrity Answer All cassette contains eight comic, celebrity-impersonated messages. The messages can be easily transferred to all types of answering machines.

Suggested retail price is \$12.95 per cassette. A compact rotating counter display and four-color header cards are free with an order of 48 cassettes.

Project Marketing Group, Inc., 3101 N. Federal Hwy., M, Fort Lauderdale, FL 33316.



Project Marketing cassettes

## Calculators come in packaged kits

KENILWORTH, NJ—A series of gift packages that combine calculators with accessories has been unveiled by Aurora.

Among the new kits is model AC-19, a budget planner calculator with an index file for organizing supermarket coupons. The calculator enables the purchaser to keep a running balance as items are selected for purchase. The kit is enclosed in a



Aurora calculator kits

see-through package. Suggested retail price is \$24.95.

A vertical-styled credit card-sized calculator is included in kit model AK-826. The product comes with a ball point pen and coordinated address book. It lists for \$12.95.

Model AC-730 is a horizontal-styled solar card calculator with a coordinated pen-watch and pencil set. It lists for \$19.95.

Aurora-Impex Corp., Building B, M, Hoiles Dr., Kenilworth, NJ 07033.



## Gear selection to salesperson's capacity to give informed pitch on software stocked

By Howard S. Rauch, editorial director  
SAN DIEGO—Mental space!

It's a concept worth understanding in computer retailing, especially since it could be one reason why your software sales may miss desired projections.

In fact, a suspected mental space gap has prompted at least two major computer chains to chop software sku's. Other specialty retailers may follow suit.

Should such a trend pick up steam, it would provide an interesting, contradictory state of affairs. After all, software has been billed as a growth phenomenon. Supposedly, it should pick up the profit slack forfeited during the current spate of hardware price-cutting.

Whether or not mental space is to become a nationwide affair, it did receive some focus during Future Computing, Inc.'s third Computer Retail Forum. While the Forum is not directed towards conventional electronics retailers and mass merchants, these groups are affected by much of what was covered.

Aside from the software focus, for example, the Forum made it clear that the market is becoming more saturated at all retail levels. Computer specialists, aside from opening new stores at a rapid clip, are expanding leased operations via department stores.

Meanwhile, those electronics retailers now eyeing the low-end personal computer market—the \$1,000 to \$1,500 price range—need super sales training programs. Reason? They must contend with specialty stores that are investing heavily in professional sales staffs.

The above considerations aside, the computer market continues—for the moment—to grow like gangbusters. Many executives gathered for the Forum see no immediate, massive shakeout. But in the future, they hastened to add, retailers and manufacturers that have no long-range marketing plan will be among the early casualties.

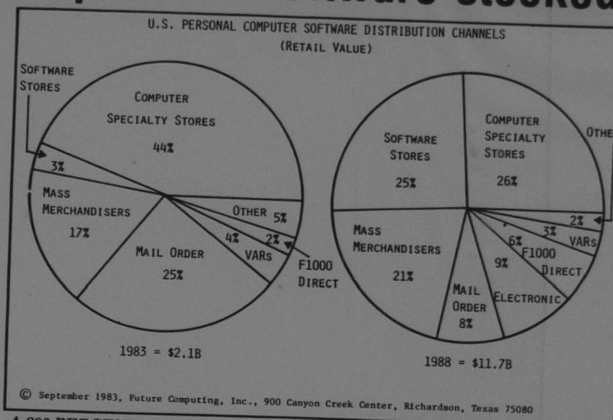
### Mental space evaluated

"Mental space" was raised during a discussion of how retailers can best assess new hardware and software products. The "mental," explained panelist Len Simon, president, Computer City, pertains to how many different products "a salesperson can keep in his head."

If a store's sku selection exceeds a salesperson's mental space capacity, it was noted, the result is ineffective presentations on some product lines. Since potential software sku's outnumber hardware, mental space could become a significant sales deterrent. The solution, noted Simon and other retail panelists, is to slice the sku count.

Computer City, a California operation, has dropped three spreadsheet programs, reported Simon. "We started to eliminate some productivity packages that were being demonstrated once a month or once every two months," he said.

The infrequency of the demonstration did not keep salespeople sharp on presenting these products. Meanwhile, stressed Simon, a demonstration still ran 90 minutes. Invariably,



A 300 PERCENT INCREASE in home computer sales should be enjoyed by mass merchandisers during the next five years. Mass merchants will sell \$1 billion in home computers this year, says Future Computing.

the program was not sold—an obvious sales productivity deterrent.

"People sell what they can demonstrate," agreed Joe Harmon, vice president of merchandising, CompuShop, Inc., a Texas-based chain. "Ten of our software titles do 58 percent of our business. The problem is that other programs were added after many of our salespeople were trained."

Harmon pointed out that for a software specialty store carrying more than 300 titles, the mental space problem could be even more pronounced.

Another often discussed aspect of mental space is a salesperson's desire to go for the big-ticket hardware order. Software doesn't offer comparable incentives. Therefore, the typical computer store salesperson is not inclined to bone up carefully on every program carried.

This rationale is believed to be the basis on which software-only outlets are expected to thrive. "The public needs a place where someone is willing and anxious to demonstrate software," declared William Ladin, chairman, Computer Craft, Inc. The 30-unit chain based in Texas currently

operates three software stores, he said.

### Sees lower customer expectation

Being able to speak authoritatively on every product carried may be less of a problem for software stores. Therefore, the mental space factor could remain more of a sales drawback for "hybrid" stores.

This possibility was raised by Future Computing, Inc. (FCI) president Dr. Portia Isaacson. In her presentation focusing on the personal computer market, Isaacson put it this way:

"If a computer store sells software, the customer has a higher expectation that the store is knowledgeable on each package. In a software store, the expertise expectation is lower."

FCI estimated that 175 software stores were operating as of August 1983; 45 percent are franchised outlets. Store locations by state follow the typical computer specialty store pattern—24.4 percent of software outlets are in California, another 14.8 percent in Texas.

One deviation from the pattern is the present strong showing in New

(Continued on page 62)

## Recheck sales policies to avoid legal doghouse, warns attorney

SAN DIEGO—"Legal hazards of other retail businesses are here. If you violate anti-trust laws, the other guy gets treble damages plus attorney fees."

This warning was issued by Richard (Erik) Gordon, an Atlanta attorney, in winding up a presentation on "Legal Opportunities and Pitfalls in Computer Retailing."

Gordon's presentation covered the hazards of price-fixing, incorrect warranties made by salespeople and fuzzy ads. Among Gordon's points were the following:

- Avoid false advertising. Don't show a \$79 unit, for example, purported to do double-entry bookkeeping. Don't give a price in an ad that contains illustrations of

several peripherals if the peripherals cost extra.

- If a sales demonstration is misleading, you can be hung on a warranty rap. For example, you court trouble if you demonstrate a software package "on a configuration other than what the consumer will buy." Salespeople should not answer questions if they are unsure of their facts regarding product performance.

- Any dealer suspecting that he has been cut off from a particular product line through competitive collusion should keep records in writing pertaining to the problem.

- Don't threaten a manufacturer that you will drop his line unless you receive a more favorable price break.

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# NEWSLINES COM- PUTERS



Coleco names Kiss  
vice president, game software

**CHELSEA, MI**—Independent computer retailers can take advantage of services and purchasing power available to chain and franchise operations by joining the Association of Computer Retailers. The association's pooled purchasing offers discounts on software ranging from 50 percent to 60 percent. Newsletters, market research and dealer networking are available to members. Inquiries can be sent to Association of Computer Retailers (ACR), 3701 McKinley Road, Ste. 2, Chelsea, MI 48118.

**ST. LOUIS**—ITT Commercial Finance Corp. has announced collateral-based financing programs for more than 1,000 independent personal computer dealers across the U.S. and in Canada. "Personal computer dealers are facing new challenges and opportunities because of the dynamic structure of the management information service business," said John Dobson, senior vice president and director of marketing. He noted that his company also offers specialized services, such as computerized inventory control.

**MANAGEMENT MOVES**—Coleco Industries, Inc., has announced the appointment of George Kiss to the position of vice president, advanced research and development, game software. Kiss comes to Coleco from Atari, where he served as director of software development...Activision, Inc., has hired Gregory Fischbach as president of Activision, International, Inc. For the past year Fischbach has negotiated agreements, arranged licensing rights and conducted strategic consulting for Activision as a principal of his own law firm...Peter Rosenthal has been named to the newly created position of vice president, sales and marketing, for Design Ware, Inc. Rosenthal's most recent position was vice president, product development and business planning, for the home computer division of Atari...Robert Bodnar has joined North Star Computers, Inc., as vice president of U.S. sales.

**CUPERTINO, CA**—Retail computer dealers should be more attractive to the small business customer, thanks to a joint marketing program between Apple Computer and nine leading software companies. More than 15 products designed to complement Apple's computer bundles for this market are included in the pilot. Developers participating in the program are sharing advertising and promotion costs with Apple Computer. The program is designed to make it easier for dealers to decide what software to carry, because Apple has identified these developers' products as quality, Apple-compatible programs.

**LOS ANGELES**—A \$5-million campaign will propel Sega Enterprises, Inc., into the home market. The arcade game manufacturer plans to introduce three new home videogame titles this fall. The games—Star Trek, Congo Bongo and Buck Rogers, The Planet of Zoom—currently are in distribution by Sega as coin-operated arcade games and rank in the top five best-selling games nationally, according to Playmeter magazine.



Funware offers  
\$5 store coupon

**PROMOTION PIECES**...Consumers who purchase a ColecoVision from now through Feb. 29, 1984 will receive \$150 in vacation savings certificates from Coleco Industries, Inc. Purchasers of the ColecoVision Expansion Module #1 will receive \$50 in vacation savings certificates. Also, from now through March 31, 1984, consumers who purchase any two of Coleco's videogame cartridges will receive \$50 in vacation savings certificates...In specially marked packages of St. Nick game cartridges, consumers will find a store coupon good for \$5 off their next purchase of any Funware Software Program. Coupons can be redeemed at their local dealers. The promotion is good through Jan. 15, 1984. Also, inside specially marked packages of Choplifter, Serpentine, Pipes and Save New York, customers will find a mail-in certificate, redeemable to Creative Software for a free home management software program.

**SAN RAFAEL, CA**—Atari computer users are challenged to create original arcade games using Broderbund's Arcade Machine program. The six-month contest begins in January 1984 and runs through June 30, with a winner announced each month. The six winners become eligible for the grand prize and runner-up prizes to be awarded in July 1984. Entries will be judged on the basis of creativity, originality, playability and the extent to which the features of the Arcade Machine for Atari computers are used. The program allows non-programmers to create animated color computer games, complete with explosions and sound effects. Monthly winners will receive \$200 worth of computer hardware and software prizes. The retail store at which the Arcade Machine was purchased will receive \$200 worth of the Broderbund software of its choice (valued at dealer cost). The six monthly winners are then eligible for the grand prize of \$1,500 worth of hardware and software. The store at which the program was purchased will receive an equivalent prize of Broderbund software of its choice.

**NEW YORK**—Attendees at next February's American International Toy Fair will be able to save substantially on hotel costs, airfare and ground travel thanks to a special program arranged by Travel Planners, Inc., of New York. Travel Planners has 15 New York hotels lined up to provide discounts of up to 50 percent for fair attendees. In addition, attendees using American Airlines can receive a 40 percent reduction on coach fares if they reserve 45 or more days prior to departure. Reservations made within 45 days of departure will net a 35 percent savings. Eastern Airlines is offering attendees a 35 percent discount on coach fares. Discounts will also be available on chauffeured airport sedan rentals provided by Carey Cadillac. One-way transportation from LaGuardia to Manhattan will cost \$28 and a one-way trip from Newark or Kennedy airports into midtown will cost \$35. Rides may be shared at the same rate provided all the passengers are arriving on the same flight. A special hourly rate of \$22 is available while in New York. As part of the service, Travel Planners will reserve hotel accommodations, ground transportation and flights on either airline. Contact Ira Malin, Travel Planners, Inc., 40 Gramercy Park North, New York, NY 10010 or call toll free 1/800/221-3531. In New York call 212/473-4688. The fair will run from February 13 to 22, 1984.

# COMPUTERS/NEW RELEASES IN SOFTWARE

## VIDEOGAMES



**BEAMRIDER**, Activision. Intellivision-compatible. Available now. Suggested retail \$34.95.

**FROSTBITE**, Activision. Atari 2600-compatible. Available now. Suggested retail \$31.95.

**MOUNTAIN KING**, CBS Electronics. Atari 2600-, 5200-compatible. Available now.

**OMEGA RACE**, CBS Electronics. Atari 2600-compatible. Available now.

**PIE MAN**, Penguin Software. Atari

2600-compatible. Available now.  
**POOYAN**, Datasoft. Atari series-compatible. Available now. Suggested retail \$34.95.  
**PRESSURE COOKER**, Activision. Atari 2600-compatible. Available now. Suggested retail \$34.95.

## COMPUTERS

## GAMES

**AIRPORT**, The Software Toolworks. DEC-, Kaypro-, Osborne-, Xerox-, Heath/Zenith-compatible. Available now. Suggested retail \$19.95.

**BLADE OF BLACKPOOLE**, Sirius Software. Commodore 64-, Apple II series-, Atari 800/1200-compatible. Available now. Suggested retail \$39.95.

**CRASH DIVE**, Fox Video Games.

Atari 400/800-compatible. Available now.

**FUEGO**, United Microwave Industries, Inc. Commodore 64-compatible. Available now. Suggested retail \$34.95.

**GRANDMASTER**, United Microwave Industries, Inc. Commodore 64-compatible. Available now. Suggested retail \$34.95.

**GRUDS IN SPACE**, Sirius Software. Commodore 64-, Apple II series-compatible. Available now. Suggested retail \$39.95.



**JAWBREAKER**, Texas Instruments. TI series-compatible. Available this quarter. Suggested retail \$39.95.

**JUICE**, Tronix Publishing, Inc. Commodore 64-compatible. Available now.

**M\*A\*S\*H**, Fox Video Games. Atari 400/800-, VIC 20-compatible. Available this quarter.

**MOTOR MANIA**, United Microwave Industries, Inc. Commodore 64-compatible. Available now. Suggested retail \$34.95.

**PENNANT DRIVE**, United Microwave Industries, Inc. Commodore 64-compatible. Available now. Suggested retail \$34.95.

**PENTAPUS**, Turning Point Software. Apple II series-compatible. Available now. Suggested retail \$29.95.

**PORKY'S**, Fox Video Games. Atari 400/800-, VIC 20-compatible. Available now.

**RENAISSANCE**, United Microwave Industries, Inc. Commodore 64-compatible. Available now. Suggested retail \$34.95.

**REVENGE OF THE BEEFSTEAK TOMATOES**, Fox Video Games. Atari 400/800-, VIC 20-compatible. Available this quarter.

**SNAKE BYTE**, Sirius Software. Apple II series-, Atari 800/1200-, VIC 20-compatible. Commodore 64-compatible on disk. Available now.

**SQUISH 'EM**, Sirius Software. VIC

20-, Atari 400/800/1200-compatible. Available now. Suggested retail \$19.95.  
**STAR BATTLE**, Timeworks, Inc. Commodore 64-compatible. Available now. Suggested retail \$24.95.  
**WORLD FEUD**, United Microwave Industries, Inc. Commodore 64-compatible. Available now. Suggested retail \$34.95.

## LEARNING



**FACEMAKER**, Texas Instruments. TI 99/4A-compatible. Available this quarter. Suggested retail \$39.95.

**MATH DUAL**, Computer Software Associates. VIC 20-compatible. Available now. Suggested retail \$19.95.

**SPEED READER II**, Davidson & Associates. Commodore 64-compatible. Available now. Suggested retail \$69.95.

**STORY MACHINE**, Texas Instruments. TI 99/4A-compatible. Available this quarter. Suggested retail \$39.95.

**TINY TUTOR**, Computer Software Associates. VIC 20-compatible. Available now. Suggested retail \$19.95.

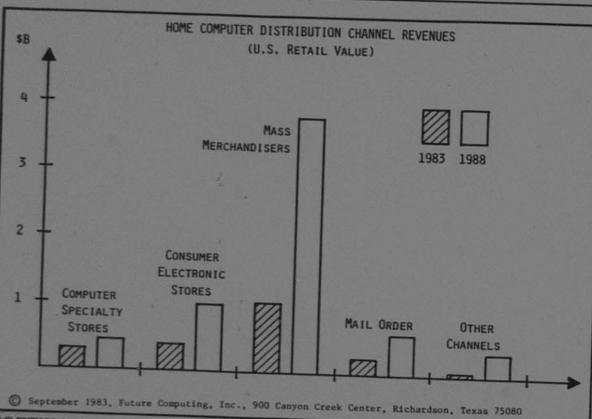
**TK!SOLVER**, Software Arts. Wang Professional Computer-, IBM PC-, DEC 350, DEC Rainbow-compatible. Available now.

**TYPE ATTACK**, Sirius Software. Atari 800/1200-, Apple II series-, Commodore 64-, VIC 20-compatible. Available now. Suggested retail \$39.95.

**VIC SKETCH**, Computer Software Associates. VIC 20-compatible. Available now. Suggested retail \$14.95.

## HOME MGT.

**TIME IS MONEY**, Turning Point Software. Apple II Series-compatible. Available now.



**SOFTWARE DISTRIBUTION** will change dramatically during the next five years, according to Future Computing, Inc. Mass merchandisers will gain greater market share.

## 21% of software sales projected for mass merchandisers in 1988

(Continued from page 60)  
Jersey, which has 11.8 percent of software stores, slightly more than New York. (Editor's note: As explained later on in this article, the "big five" states for conventional computer stores are California, Texas, New York, Florida and Illinois.)

The average software store's monthly sales volume, said FCI, is \$27,000; the median is \$25,000. Average monthly volume for stores in business three months or less is \$14,000.

By 1988, it's projected that mass merchants will account for 21 percent of software sales, compared to 17 percent in 1983. Meanwhile, software stores will zoom from three percent of the pie this year to 25 percent by 1988.

As usual, FCI's Isaacson presented a carload of other new projections on where the computer business is heading. Some excerpts:

- By 1988, the worldwide home computer hardware market (retail value) will reach \$9.4 billion. This compares to a projected \$2.6 billion by year-end 1983.

- The combined software volume serving office/personal and home

computers will reach \$11.7 billion by 1988. Home computer software will generate \$6.7 billion of that total. FCI sees the 1983 software market reaching \$2.1 billion, \$1.3 billion of which is home computer volume.

- As of June 1983, 207 new computer specialty stores had opened in the first half of the year. There should be approximately 3,000 computer stores operating by year-end. Meanwhile, 1982 was a banner year for computer specialists, with 449 new units making the scene; 29 percent of stores now operating opened in 1982.

- Average sales volume for a computer specialty store in 1983 is \$1.5 million. This figure could reach \$2.5 million by 1988.

- The "big five" in terms of states with computer store populations are California, Texas, New York, Illinois and Florida. Presently, California is home to 15 percent of U.S. computer stores; Texas has over nine percent.

- Concession of the home computer market to mass merchants is becoming more apparent. These outlets will do close to \$4 billion in home computer business by 1988. This is up from approximately \$1 billion projected for 1983.

## Merchandising's TOP 10 TEN

... in videogame software

	Last month's position	Months on chart
1. Q*Bert (Parker Brothers)	1	3
2. Centipede (Atari)	2	8
3. Pole Position (Atari)	3	2
4. Enduro (Activision)	4	5
5. BurgerTime (Mattel)	5	3
6. Jungle Hunt (Atari)	6	1
7. Mr. Do (Coleco)	—	1
8. Ms. Pac-Man (Atari)	5	9
9. Decathlon (Activision)	—	1
10. Kangaroo (Atari)	—	2



## PRODUCTS

### Portable computer integrates peripherals

SAN JOSE, CA—Access Matrix Corp. has introduced Access, a portable computer with all peripherals integrated into a single compact unit.

Peripherals include a high-speed dot matrix printer; a direct connect modular telephone jack and acoustic coupler; a seven-in. amber monitor; two high performance double-density disk drives; a low profile, detachable keyboard, and 64K of user memory.

A Z-80A central microprocessor, comprehensive software package, multiple I/O ports and a storage compartment for 10 diskettes are also standard features. The retail price of Access is \$2,495.

The Access built-in printer delivers 80 characters per second (CPS). Users can print up to 132 characters per line on standard 8½-in. paper. In addition to the 96 ASCII character set, there are full graphic capabilities.



Access portable computer

The internal modem is adjustable from 0 to 300 BAUD (bits per second); data can also be printed as it is

transmitted. The seven-in. screen offers amber type and displays 80 characters per line on 24 lines. Date and time information are available on the 25th line. The screen has user-selectable options: inverse, blink, blank, underline, double underline, half intensity and normal intensity.

Two single-sided double-density disk drives provide 184K bytes of data storage per disk. Double-sided double-density drives are offered as an option, for a total of 736K bytes of storage. Access also supports up to two external eight-in. disk drives.

The machine is bundled with Perfect Software's integrated programs, plus Microsoft M Basic and Digital Research's C Basic.

An optional battery pack is available for total portability.

Access Matrix Corp., 2159 Bering Dr., M, San Jose, CA 91531.



Model SL suppressor

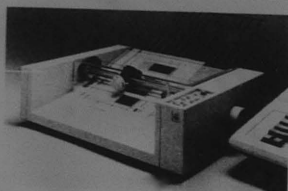
### Suppressor curbs voltage problems

POST FALLS, ID—A transient overvoltage suppressor from Transvector Systems works with personal computers and other home electronics products.

Model SL plugs directly into any standard 110-volt outlet and accepts all standard three-prong plugs. It automatically checks incoming electrical power lines for overvoltage transients and spikes, eliminating the major cause of damage to solid-state equipment. The UL-listed product features an instant reset function for uninterrupted service.

The SL measures about three in. in width, length and height and carries a 90-day replacement warranty.

Transtector Systems, E. 5250 Seltice Way, P.O. Box 1299, M, Post Falls, ID 83854.



Apple color plotter

### Plotter turns out charts and graphs

CUPERTINO, CA—Apple Computer's multi-color plotter is compatible with its Apple II and Apple III personal computers and produces professional-quality graphs and charts on paper or overhead transparencies.

Model 410 features four color pens that are interchanged by software command during operation. By using variable-width plotting and an adjustable pinch rolling mechanism, plottings can be made on media up to 11 by 18 in.

The kit contains a user's manual, installation manual, connector cables, a package of plotter paper and eight pens in different colors. The Apple Color Plotter's suggested retail price is \$995 and it carries a standard 90-day warranty from Apple. Apple's extended service plan, AppleCare is also available.

Apple Computer, Inc., 20525 Mariani Ave., M, Cupertino, CA 95014.

### Portable data recorder has remote control jack

WOODBURY, NY—A portable microcassette data recorder made for data recording with portable and hand-held microcomputers has been introduced.

The Olympus C100 is compatible with all hand-held pocket computers and offers microphone, earphone and remote control jacks for connection to any computer model.

The C100 has selectable two-speed recording including a 2.4 cm/second speed for greater data recording accuracy.

Suggested retail price for the unit is \$122.50. Microcassettes retail for \$2.20 each.

Olympus Corp., Crossways Park, M, Woodbury, NY 11797.

### Computer's touch-sensitive peripheral responds to several points at one time

ATLANTA—Chalk Board, Inc., has introduced a touch-sensitive home computer peripheral that replaces the keyboard.

The peripheral, known as the Power Pad, allows the screen to respond to direct hand contact with the peripheral's surface. The computer's usability is increased, the maker claimed, because the Power-Pad responds to contact at more than one point at a time.

Applications for this 20- by 17-in. peripheral with a one-ft.-square table include serving as an artists' canvas, a piano keyboard, a game board and a programming kit to create new PowerPad software.

It retails for \$99.95.

Chalk Board's new line of software, Leonardo's Library, is designed to let a child-user learn through discovery rather than repetitive drills.



Chalk Board PowerPad

The software explores six subject areas—visual arts, music, math, science, language arts and social studies—at five content levels.

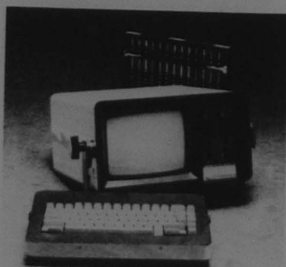
Software packages retail from \$24.95 to \$49.95.

Chalk Board, Inc., 3772 Pleasantdale Road, M, Atlanta, GA 30340.

### Desk-top computer has nine-in. screen

MINNEAPOLIS—CompuSource's Abacus line of personal computers includes a desk-top model with a nine-in. amber monitor and detachable keyboard and a portable with a nine-in. amber monitor. Both units are compatible with Apple, CP/M and IBM software and peripherals.

The Abacus computers are available with either a single or twin disk drive. The models come with an extensive package of CompuSource software featuring CompuCalc, CompuWords, CompuBase, Backgammon, Blackjack and four space/action games.



Abacus portable computer

Other features include upper- and lower-case keyboards with auto repeat, 64K dynamic RAM and 12K static RAM, five Apple compatible slots and high and low resolution graphics.

CompuSource, Inc., 3112 Hennepin Ave. South, M, Minneapolis, MN 55408.

### Zorba reduces price of portable computers

LAWRENCE, KS—A field upgradable 16-bit capability will be available next month for the Zorba portable microcomputer. Costing \$795, exclusive of labor, this capability will feature the IBM-compatible 8088 co-processor.

The retail price of the Zorba itself has been reduced from \$2,195 to \$1,995. The 21 lb. portable uses the CP/M 2.2 operating system and has two 400K disk drives, a seven-in., 80-character by 25-line high resolution non-glare screen and 19 independent programmable function keys on its detachable 95-key keyboard. It is bundled with an assortment of software.

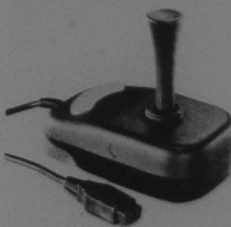
Zorba Marketing, 1000 Iowa St., M, Lawrence, KS 66044.

### New joystick allows use by either hand

ELK GROVE, IL—The Competition Pro 1000 joystick from Coin Controls, Inc., is of the same quality and construction as joysticks found in \$3,000 arcade videogames, the maker claimed. The joystick also features a unique molded shape and "leaf switch" control.

Most noteworthy is the "fire bar" feature which allows left- or right handed players to use the stick with equal comfort and dexterity. The stick comes with a standard five-ft. cord and is compatible with equipment from Atari, Commodore, Sears and other manufacturers. The Competition Pro 1000 is unconditionally guaranteed for two years. Suggested list price is \$12.95.

Coin Controls, Inc., 2609 Greenleaf Ave., M, Elk Grove, IL 60007.



Competition Pro 1000



## COMPUTER PRODUCTS

### Personal computer contains touchscreen display function

**PALO ALTO, CA**—The HP 150 personal computer from Hewlett-Packard features a touchscreen display. With HP Touch, users can run computer programs with the touch of a finger or a pen. Instead of memorizing commands, typing in menu-selection numbers or using a mouse, user simply touches the display

screen to operate the computer and its application programs, according to the company.

The HP 150 uses the Intel 8088 16-bit microprocessor to run Microsoft's MS-DOS 2.0 operating system. The computer runs enhanced touchscreen and softkey versions of VisiCalc, WordStar, SpellStar and Mail-



HP 150 personal computer

Merge. Also available is the Series 100/Graphics package, which lets users customize pie, bar, line and text charts with line drawings and automatic positioning.

The HP 150 system has a suggested retail price of \$3,995. This includes keyboard; system-processor unit with Intel 8088 microprocessor; bit-mapped graphics display monitor; 256 kilobytes of internal memory expandable to 640 kilobytes; dual micro-floppy 3 1/2-in. disk drive; built-in terminal features; built-in data communications ports, and freight to anywhere in the U.S.

Hewlett-Packard Co., 1820 Embarcadero Road, M, Palo Alto, CA 94303.

### Furniture features computer desk

**MALTA, OH**—New computer furniture in the Obie series from Taylor Woodcraft includes a testle computer desk, a storage caddy and a printer stand.

The Obie II trestle desk is made of solid maple and has a 30-in. by 60-in. tabletop to accommodate any home computer system. A sliding keyboard tray holds standard-sized keyboards and slides beneath the tabletop when not in use.

The Obie III storage caddy is on castor wheels and can be stored under the trestle desk, or rolled out to provide an additional work surface. Also made of maple, the caddy has two adjustable shelves inside for storage of manuals, notebooks, programs and disks.

The Obie IV printer stand has two solid maple shelves and a paper slot for smooth feeding to the printer. The stand also comes with casters.

Taylor Woodcraft, Inc., P.O. Box 245, South River Road, M, Malta, OH 43758.

### Storage center contains system, cords and videogame and computer cartridges

**GRANTSBURG, WI**—The Dynasound/Organizer videogame and computer storage center, model CGS-II, keeps Atari, Intellivision, ColecoVision, Commodore, Texas Instruments and Timex games in order, the firm said.

The unit can hold a system plus controls, joysticks, paddles, cords, instruction booklets and 14 cartridges or cassettes. Features include a smoky translucent dust cover, power cord outlet in the rear for one-time hookup and the ability to be stored away.

Dynasound/Organizer, division of Hartzell Manufacturing, Box 165, Rte. 87, M, Grantsburg, WI 54840.



Videogame/computer center

### Portable computer offers two versions

**FORT WORTH, TX**—Tandy/Radio Shack's portable computer, model 100, is offered in two versions: an 8K RAM for \$799 suggested retail and a 24K RAM unit for \$999 suggested retail.

The Micro Executive Workstation operates on four AA batteries and weighs less than four lbs. Its built-in modem can access information services or another terminal for sending information.

Model 100 comes with an eight-line, 40-character display screen, a full-size typewriter keyboard, six special keys,

eight programmable function keys, four command keys and four cursor control keys. A "number" key turns a section of the keyboard into a 10-key datapad.

A personal word processing program is built into the unit. Files can be printed in selectable widths, up to 132 characters, with an optional printer. Schedule and address book software is also included.

Radio Shack/Tandy Corp., 1800 One Tandy Center, M, Fort Worth, TX 76102.

### Panasonic introduces computer with eight-line screen

**SECAUCUS, NJ**—Panasonic has introduced the JR-800 portable computer with an eight-line screen of 32 characters each that can be scrolled for up to 255 columns.

The portable stores 16K of usable

RAM, 20K ROM and built-in BASIC. RAM can be expanded to 24K and ROM to 32K through the use of optional cartridges. Measuring 10 1/4 in. by 5-5/8 in. by 1-3/8 in. and weighing 1-5/8 lbs., the unit can store up to eight

programs at a time within RAM. It has memory storage protection when the unit is off and a standard typewriter keyboard configuration with 20 programmable function keys.

Features include a cassette interface to accept software programming at 1,800 BAUD, or about three times faster than standard cassette drives; an expansion buss, and a Centronics-type printer buss. The JR-800 runs on four AA batteries or an optional AC adaptor. An auto/off function switches the unit off after six minutes of non-use, to conserve power.

Options include a 32-column thermal printer (\$149.95) and RAM/ROM expansion cartridges. The JR-800 lists for \$449.95.

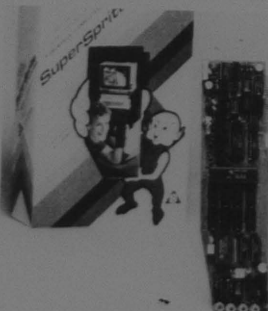
Panasonic, One Panasonic Way, M, Secaucus, NJ 07094.



JR-800 portable computer

### Synetix's peripheral board allows more animation and increased sound effects

**REDMOND, WA**—A plug-in peripheral board from Synetix, Inc., allows Apple home computer users to add more action and visual and sound effects to their home game cartridges.



SuperSprite

SuperSprite allows numerous animated objects to occupy the screen at the same time, giving the screen a three-dimensional effect. The animated object (sprite) can be whatever the user chooses to create, such as a rocket ship or a cartoon character.

Compatible with Apple computers, the board plugs into the number seven expansion slot on the units.

In addition, SuperSprite is being offered with software utilities that include a simple new language called Ampersprite that transforms standard Applesoft into a language that lets the user assemble sprites of various sizes, shapes and colors, sequence their movement and program sound.

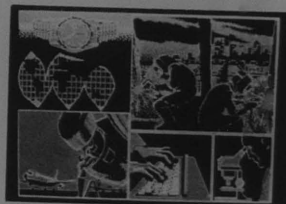
The SuperSprite board with software utilities, which include an operator's manual and demo diskettes, retails for \$395.

Synetix, Inc., 15050 N.E. 95th, M, Redmond, WA 98052.

Animation and motion techniques are included, and 64 color schemes and 10 type styles are available. Software has automatic run-time options.

The VCN Execuvision program has a suggested retail price of \$395. Add-on software, in addition to the basic library supplied, includes images designed for professions, business and industry, as well as maps, international symbols, initials, backgrounds and graphics borders.

Prentice-Hall, Inc., 200 Old Tappan Road, M, Old Tappan, NJ 07675.



VCN Execuvision Software

### Unit offers choice of viewing angles

**WHITE PLAINS, NY**—The Telram 3000 personal portable computer offers 64K RAM, four-line, 80-character LCD screen and adjustable screen for a choice of viewing angles.

At 13 in. wide and 3.45 in. high, the 3000 takes up about as much space in a briefcase as a three-in. notebook. The unit weighs 8.75 lbs. It consumes an average of 2.5 watts and its rechargeable batteries run from three to 10 hours.

Eighty-three standard keys are featured on the keyboard in regular typewriter format. The machine is programmable in both shifted and unshifted modes.

The machine is convection-cooled and operates best in temperatures ranging from 10°C to 50°C. The hermetically sealed memory package keeps out dust.

Telram Communications Corp., 2 Corporate Park Dr., M, White Plains, NY 10604.

1, Kansas City, MO,  
Y, 14225  
ual, 177

Bldg. D108,  
NJ, 08052  
40 Massman Dr.,

Terminal Dr.,

caucus, NJ,

10  
Brentwood, NY,

7074

1, NJ, 08052

Zoom Telephonics, 207 South St., Boston, MA, 02111

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CA, 92605

60060

CA, 92680

748

CT, Indianapolis,

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CA, 94403

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## TELEPHONE DIALERS

AT & T Consumer Products, 5 Wood Hollow Rd., Parsippany, NJ, 07054  
Cobra Communications, 6460 W. Cortland St., Chicago, IL, 60635  
Comdial, 9620 Flair Dr., El Monte, CA, 91731  
Dictograph U.S.A., 3573 Walden Ave., Lancaster, NY, 14086  
Dynascan Corp., Cobra Consumer Products Group, 6460 W. Cortland St., Chicago, IL, 60635  
Faxon-Courier Corp., 15300 San Fernando Mission Rd., Mission Hills, CA, 91345  
Gulf & Western Advanced Development & Engineering Center, Consumer Products, 101 Chester Rd., Swarthmore, PA, 19081  
Juliette Electronics, 4615 N.W. 77th Ave., Miami, FL, 33166  
Kit Kat International Telephones, Inc., 855 Lexington Ave., New York, NY, 10021  
Moog Music Telecommunications, 2500 Walden Ave., Buffalo, NY, 14225  
Novus Electronics Corp., Sub. of Webcor Electronics Inc., 28 S. Terminal Dr., Plainview, NY, 11803  
Panasonic, Consumer Electronics Group, One Panasonic Way, Secaucus, NJ, 07094  
Sanyo Business Systems Corp., 51 Joseph St., Moonachie, NJ, 07074  
Tele-Com Office Products, Inc., 2100 E. Foothill Blvd., Pasadena, CA, 91107  
Telephone Co. of America Inc., 55 Colony St., Meriden, CT, 06450  
U.S. Tron, Inc., 125 Wilbur Pl., Bohemia, NY, 11716  
Webcor Electronics Corp., 28 S. Terminal Dr., Plainview, NY, 11803  
Zoom Telephonics, 207 South St., Boston, MA, 02111

## TELEPHONE ACCESSORIES

AT & T Consumer Products, 5 Wood Hollow Rd., Parsippany, NJ, 07054  
All Channel Products, 42-40 Bell Plaza, Bayside, NY, 11361  
Arrow Trading Co., Inc., 1115 Broadway, New York, NY, 10010  
Carter Corp., 1916 11th St., Rockford, IL, 61101  
Comdial, 9620 Flair Dr., El Monte, CA, 91731  
Curley Cords Inc., 915 Pennsylvania Blvd., Feasterville, PA, 19047  
Dictograph U.S.A., 3573 Walden Ave., Lancaster, NY, 14086  
Dynascan Corp., Cobra Consumer Products Group, 6460 W. Cortland St., Chicago, IL, 60635  
EVO, Inc., 186 Buffalo Ave., Freeport, NY, 11520  
Faxon-Courier Corp., 15300 San Fernando Mission Rd., Mission Hills, CA, 91345  
Floyd Bell Associates Inc., 897 Higgs Ave., Box 12327, Columbus, OH, 43212  
GTE Business Communication Systems Inc., 1100 Cleveland St., Ste. 1500, Clearwater, FL, 33515  
Gemini Industries Inc., 215 Etna Rd., Clifton, NJ, 07014  
General Electric, Wiring Device Dept., 225 Service Ave., Box 1050, Warwick, RI, 02886  
Gulf & Western Advanced Development & Engineering Center, Consumer Products, 101 Chester Rd., Swarthmore, PA, 19081  
Herald Electronics, 6611 N. Lincoln Ave., Chicago, IL, 60645  
International Components Corp., Distributor Products Div., 105 Maxess Rd., Melville, NY, 11747  
Jasco Products Co. Inc., P.O. Box 466, Oklahoma City, OK, 73101  
Jenstar Inc., 616A N. Anaheim Blvd., Anaheim, CA, 92805  
Juliette Electronics, 4615 N.W. 77th Ave., Miami, FL, 33166  
Kit Kat International Telephones, Inc., 855 Lexington Ave., New York, NY, 10021  
Kustom Kreation, 19316 Londell St., Northridge, CA, 91324  
Kycora International, Inc., 7 Powder Horn Dr., Warren, NJ, 07060  
Lloyds Electronics Inc., 180 Raritan Center Pkwy., Edison, NJ, 08818  
Mann Endless Cassette, Ind. Corp., P.O. Box 1347, San Francisco, CA, 94101  
Novus Electronics Corp., Sub. of Webcor Electronics Inc., 28 S. Terminal Dr., Plainview, NY, 11803  
Pathcom, Inc., 24105 S. Frampton Ave., Harbor City, CA, 90710  
Pierre Cardin Electronics, 1115 Broadway, New York, NY, 10010  
Quasar Microsystems, Record-o-Fone, Quasar Microsystems, Inc., Brentwood, NY, 11717  
RKS Industries, Inc., 4865 Scotts Valley Dr., Scotts Valley, CA, 95066  
Smith Gates Corp., 1451 New Britain Ave., Farmington, CT, 06032  
Soundsign, 34 Exchange Pl., Jersey City, NJ, 07302  
T.T. Systems Corp., 9 E. 37th St., New York, NY, 10016  
Tele-Com Office Products, Inc., 2100 E. Foothill Blvd., Pasadena, CA, 91107  
Telco Technology Industries, 616A N. Anaheim Blvd., Anaheim, CA, 92805  
Telephone & Data Products, 401 Washington Blvd., Mundelein, IL, 60060  
Telephone Co. of America Inc., 55 Colony St., Meriden, CT, 06450  
Transcriber Co., Attleboro, MA, 02203  
U.S. Tron, Inc., 125 Wilbur Pl., Bohemia, NY, 11716  
Ultimate Sound, 19330 E. San Jose Ave., City of Industry, CA, 91748  
Webcor Electronics Corp., 28 S. Terminal Dr., Plainview, NY, 11803  
Winegard Co., 3000 Kirkwood St., Burlington, IA, 52601

## CALCULATORS

dt—Desk-Top  
hh—Hand-Held  
Arrow Trading Co., Inc., 1115 Broadway, New York, NY, 10010 (dt, hh)  
Aurora Impex Corp., Bldg. B, Hoies Dr., Kenilworth, NJ, 07033 (dt, hh)  
Jordache Electronics, Avon Electronics, Avon Micro Devices, 1201 Broadway, New York, NY, 10001 (dt, hh)  
B-C Systems, 59 W. Wyoming Ave., Melrose, MA, 02176 (dt, hh)  
Barco Sales Ltd., Inc., 1341 S.W. 20th Terr., Fort Lauderdale, FL, 33312 (dt, hh)  
Becker & Becker, 501 Post Rd., Box 934, Westport, CT, 06881 (hh)  
Callor, Inc., 15 E. 26th St., New York, NY, 10010 (dt, hh)  
Canon U.S.A., Inc., Calculator Dept., One Canon Plaza, Lake Success, NY, 11042 (dt, hh)  
Casio Inc., 15 Gardner Rd., Fairfield, NJ, 07006 (dt, hh)  
Commodore Business Machines Inc., 1200 Wilson Dr., Westchester, PA, 19380 (dt, hh)  
Dictograph U.S.A., 3573 Walden Ave., Lancaster, NY, 14086 (dt, hh)  
Docutel/Olivetti Corp., Consumer Products and Electronic Writing Systems Div., 155 White Plains Rd., Tarrytown, NY, 10591 (hh)  
Enterprex International Corp., 3900 E. Whitehouse St., Los Angeles, CA, 90063 (hh)  
Fortune Star Products Corp., 12 W. 23rd St., New York, NY, 10010 (dt, hh)  
The Gordon Group, Marketing/Sales Int'l Div., 5219 N. 27th Ave., Ste. 9, Phoenix, AZ, 85017 (dt, hh)  
Hanabishi Ltd., 39 W. 28th St., New York, NY, 10001 (hh)  
Hanimex (USA) Inc., 1801 W. Touhy Ave., Elk Grove Village, IL, 60007 (dt, hh)  
Hewlett Packard, 1000 N.E. Circle Blvd., Corvallis, OR, 97330 (dt, hh)  
Intertrade International Inc., 88 Livingston Ave., New Brunswick, NJ, 08901 (dt, hh)  
JSR Electronics Inc., 1155 W. Fayette St., Syracuse, NY, 13201 (dt, hh)  
Kycora International, Inc., 7 Powder Horn Dr., Warren, NJ, 07060 (dt, hh)  
Lloyds Electronics Inc., 180 Raritan Center Pkwy., Edison, NJ, 08818 (dt, hh)  
Merchants Corp. of America, 689 Fifth Ave., New York, NY, 10022 (dt, hh)  
Webcor Electronics Corp., Sub. of Webcor Electronics Inc., 28 S. Terminal Dr., Plainview, NY, 11803 (dt, hh)  
Panasonic, Consumer Electronics Group, One Panasonic Way, Secaucus, NJ, 07094 (dt, hh)  
Pierre Cardin Electronics, 1115 Broadway, New York, NY, 10010 (dt, hh)  
Royal Business Machines, 500 Day Hill Rd., Windsor, CT, 06095 (dt, hh)  
Samsung Electronics America Inc., 2707 Butterfield Rd., Ste. 270, Oak Brook, IL, 60521 (dt, hh)  
Sanyo Business Systems Corp., 51 Joseph St., Moonachie, NJ, 07074 (dt, hh)  
Sharp Electronics, 10 Sharp Plaza, Paramus, NY, 07652 (dt, hh)  
Teal Industries Inc., 1741 Loma Blvd., Loma, CA, 90717 (dt, hh)  
Tele-Com Office Products, Inc., 2100 E. Foothill Blvd., Pasadena, CA, 91107 (dt, hh)  
Texas Instruments Inc., P.O. Box 225012, M/S 84, Dallas, TX, 75265 (dt, hh)  
Toshiba America, Inc., Calculator Div., 2441 Michelle Dr., Tustin, CA, 92680 (dt, hh)  
Unisonic Products Corp., 1115 Broadway, New York, NY, 10010 (dt, hh)  
Western Watches Int'l, Inc., 448 S. Hill St., Los Angeles, CA, 90013 (hh)



## ELECTRONIC GAMES (Non-Video)

Compuscope Inc., 6400 Signal St., Tillamook, OR, 97141  
Criterion Watch Co. Inc., 60-01 31st Ave., Woodside, NY, 11377  
DSC Service Center, Ltd., 4401 Walden Ave., Lancaster, NY, 14086  
Fidelity Electronics, Ltd., 8800 N.W. 36th St., Miami, FL, 33178  
Fortune Star Products Corp., 12 W. 23rd St., New York, NY, 10010  
Hanimex (USA) Inc., 1801 W. Touhy Ave., Elk Grove Village, IL, 60007  
Intertrade International Inc., 88 Livingston Ave., New Brunswick, NJ, 08901  
K & K Merchandise Group, 10-27 45th Ave., Long Island City, NY, 11101  
Kustom Kreation, 19316 Londell St., Northridge, CA, 91324  
Mattel Inc., 5150 Rosecrans Ave., Hawthorne, CA, 90250  
Mastrom, 7807 A Telegraph Rd., Montebello, CA, 90640  
Milton Bradley Co., 111 Maple St., Springfield, MA, 01101  
Nintendo of America, 4820 150 Ave. N.E., Redmond, WA, 98052  
Ritam Corp., P.O. Box 921, Fairfield, IA, 52556  
Tiger Electronic Toys, 909 Orchard, Mundelein, IL, 60060  
Unisonic Products Corp., 1115 Broadway, New York, NY, 10010

Controlronics, Whistler, 5 Liberty Way, Westford, MA, 01886  
DSC Service Center, Ltd., 4401 Walden Ave., Lancaster, NY, 14086  
Dynascan Corp., Cobra Consumer Products Group, 6460 W. Cortland St., Chicago, IL, 60635  
Electrolert, Inc., Fuzz Buster & Weatheralert, 4949 South 25-A, Tipp City, OH, 45371  
Marketing, Inc., 4518 Taylorsville Rd., Dayton, OH, 45424  
Gul Industries, 540 Hollywood Way, Burbank, CA, 91505  
Leisure Time Development Corp., 1931 Mott Ave., Far Rockaway, NY, 11691  
Regency Electronics, 7707 Records St., Indianapolis, IN, 46226  
Weatheralert, 4949 S. 25-A, Tipp City, OH, 45371

## QUARTZ WATCHES

an—Analog  
di—Digital  
Advance Electronics Supplies, Co., 456 San Mateo Ave., #5, San Bruno, CA, 94066 (di)  
Advance Watch Co. Ltd., 26400 W. Eight Mile Rd., Southfield, MI, 48034 (an, di)  
Armstrong Corporation, 29-10 Thomson Ave., Long Island City, NY, 11101 (di)  
Astra Trading Corp., 175 Fifth Ave., New York, NY, 10010 (di)  
Jordache Electronics, Avon Electronics, Avon Micro Devices, 1201 Broadway, New York, NY, 10001 (di)  
Bifora USA Inc., 212 Fifth Ave., New York, NY, 10010 (di)  
Casio Inc., 15 Gardner Rd., Fairfield, NJ, 07006 (an)  
Comus Inc., 1739 4 Mile Rd., N.E., Grand Rapids, MI, 49505 (di)  
Criterion Watch Co. Inc., 60-01 31st Ave., Woodside, NY, 11377 (di)  
D'Vinci Watch Company, 70834 Commerce Cir., Pleasanton, CA, 94566 (di)  
Enterprex International Corp., 3900 E. Whitehouse St., Los Angeles, CA, 90063 (di)  
Fortune Star Products Corp., 12 W. 23rd St., New York, NY, 10010 (di)  
E. Gluck Corp., Armstrong Div., 29-10 Thomson Ave., Long Island City, NY, 11101 (di)  
The Gordon Group, Marketing/Sales Int'l Div., 5219 N. 27th Ave., Ste. 9, Phoenix, AZ, 85017 (di)  
Intertrade International Inc., 88 Livingston Ave., New Brunswick, NJ, 08901 (di)  
K & K Merchandise Group, 10-27 45th Ave., Long Island City, NY, 11101 (di)  
Marcel Watch Corp., 1115 Broadway, New York, NY, 10010 (di)  
Novus Electronics Corp., Sub. of Webcor Electronics Inc., 28 S. Terminal Dr., Plainview, NY, 11803 (an, di)  
Samsung Electronics America Inc., 2707 Butterfield Rd., Ste. 270, Oak Brook, IL, 60521 (di)  
Timex Clock Co., P.O. Box 1700, Park Rd. Ext., Waterbury, CT, 06721 (di)  
Webcor Electronics Corp., 28 S. Terminal Dr., Plainview, NY, 11803 (di)  
Western Watches Int'l, Inc., 448 S. Hill St., Los Angeles, CA, 90013 (an, di)

## ELECTRONICS FURNITURE

AAL (American Acoustics Labs), 629 W. Cermak Rd., Chicago, IL, 60616  
Aal America Ltd., 800 W. Artesia, Compton, CA, 90220  
American Acoustics Labs (AAL), 629 W. Cermak Rd., Chicago, IL, 60616  
B-C Systems, 59 W. Wyoming Ave., Melrose, MA, 02176  
Bretford Mfg. Inc., 9715 Soreng Ave., Schiller Park, IL, 60176  
Case Manufacturing Company, 312 Fair Oak St., Little Valley, NY, 14755  
Comprehensive Video Supply Corp., 148 Veterans Dr., Northvale, NJ, 07647  
DSC Service Center, Ltd., 4401 Walden Ave., Lancaster, NY, 14086  
Downen Consumer Electronics, 206 E. Main St., Carmi, IL, 62821  
Electronics Furniture Industries, 8460 Marsh Rd., Algonac, MI, 48001  
Foremost Furniture by Sauder Woodworking Co., 502 Middle St., Archbold, OH, 43502  
Furniture Concepts International, 720 Fifth Ave., New York, NY, 10019  
Gerber Industries, Inc., Furniture Div., P.O. Box 600, St. Peters, MO, 63376  
Gusdorf Corp., 6900 Manchester Ave., St. Louis, MO, 63143  
JBL Incorporated, 8500 Balboa Blvd., Box 2200, Northridge, CA, 91329  
JVC Company of America, 41 Slater Dr., Enniswood Park, NJ, 07047  
Kustom Kreation, 19316 Londell St., Northridge, CA, 91324  
Luvon, Inc., 1129 S. Bridge St., Belding, MI, 48809  
Midwestern Sound Co. Inc., 805 E. 21st St., Brooklyn, NY, 11210  
O'Sullivan Industries, Inc., 19th & Gulf Sts., Lamar, MO, 64759  
Red Fox Enterprises, Route 209 E., Elizabethtown, PA, 17023  
Shepherd Products, 203 Kerth St., St. Joseph, MI, 49085  
Showtime Video Ventures, 2715 Fifth St., Tillamook, OR, 97141  
Soundesign, 34 Exchange Pl., Jersey City, NJ, 07302  
Telco Technology Industries, 616A N. Anaheim Blvd., Anaheim, CA, 92805

## PERSONAL COMPUTER HARDWARE

Apple Computer Inc., 20525 Mariani Ave., #18P, Cupertino, CA, 95014  
Atenc, Inc., Pine Haven Shore, Shelburne, VT, 05482  
Atari Inc., 1265 Borregas Ave., Sunnyvale, CA, 94086  
Casio Inc., 15 Gardner Rd., Fairfield, NJ, 07006  
Coleco Industries Inc., 200 Fifth Ave., Room 1234, New York, NY, 10010

## ELECTRONIC TYPEWRITERS

B-C Systems, 59 W. Wyoming Ave., Melrose, MA, 02176  
Bretford Mfg. Inc., 9715 Soreng Ave., Schiller Park, IL, 60176  
Brother International Corp., 8 Corporate Pl., Piscataway, NJ, 08854  
Canon U.S.A., Inc., Calculator Div., One Canon Plaza, Lake Success, NY, 11042  
DSC Service Center, Ltd., 4401 Walden Ave., Lancaster, NY, 14086  
Docutel/Olivetti Corp., Consumer Products and Electronic Writing Systems Div., 155 White Plains Rd., Tarrytown, NY, 10591  
Fortune Star Products Corp., 12 W. 23rd St., New York, NY, 10010  
Olympia USA, Inc., P.O. Box 22, Somerville, NJ, 08876  
Royal Business Machines, 500 Day Hill Rd., Windsor, CT, 06095  
Silver-Reed America Inc., 2 Soundview Dr., Ste. 100, Greenwich, CT, 06830  
Teal Industries Inc., 1741 Loma Blvd., Loma, CA, 90717  
Tele-Com Office Products Inc., 2100 E. Foothill Blvd., Pasadena, CA, 91107  
Unisonic Corp., 1171 Landmeier Rd., Elk Grove Village, IL, 60007

## CITIZENS BAND RADIOS

Advance Electronics Supplies, Co., 456 San Mateo Ave., #5, San Bruno, CA, 94066  
Alaron Inc., P.O. Box 550, Troy, MI, 48099  
Antenna Incorporated, 26301 Richmond Rd., Cleveland, OH, 44146  
Audiovox Corp., 150 Marcus Blvd., Hauppauge, NY, 11727  
Chelco Sound, Inc., 1432-1440 Randolph Ave., Avenel, NJ, 07001  
Dynascan Corp., Cobra Consumer Products Group, 6460 W. Cortland St., Chicago, IL, 60635  
Firetronic Inc., 3351-A Tweedy Blvd., P.O. Box 1326, South Gate, CA, 90280  
Fortune Star Products Corp., 12 W. 23rd St., New York, NY, 10010  
General Electric, Audio Electronics Products Dept., Electronics Park, Bldg. 5, Syracuse, NY, 13221  
The Gordon Group, Marketing/Sales Int'l Div., 5219 N. 27th Ave., Ste. 9, Phoenix, AZ, 85017  
JICL LA Corporation, Japan Industries Co., Ltd., 17120 Edwards Rd., Cerritos, CA, 90706  
Leisure Time Development Corp., 1931 Mott Ave., Far Rockaway, NY, 11691  
Midland International Corp., Consumer Products, P.O. Box 1903, Kansas City, MO, 64141  
Telco/Vitel, 44 Sea Cliff Ave., Glen Cove, NY, 11542

## SCANNERS

Antenna Incorporated, 26301 Richmond Rd., Cleveland, OH, 44146  
Electra Co., Div. Masco Corp., 300 E. County Line Rd., Cumberland, IN, 46229  
Faxon-Courier Corp., 15300 San Fernando Mission Rd., Mission Hills, CA, 91345  
Fax Marketing, Inc., 4518 Taylorsville Rd., Dayton, OH, 45424  
JICL LA Corporation, Japan Industries Co., Ltd., 17120 Edwards Rd., Cerritos, CA, 90706  
Regency Electronics, 7707 Records St., Indianapolis, IN, 46226  
Tele-Com Office Products, Inc., 2100 E. Foothill Blvd., Pasadena, CA, 91107

## RADAR DETECTORS

B.E.L.-Tronics Ltd., 3031 P. Pawnee, Wichita, KS, 67217  
Barco Sales Ltd., Inc., 1341 S.W. 20th Terr., Fort Lauderdale, FL, 33312  
Cobra Communications, 6460 W. Cortland St., Chicago, IL, 60635



## Listings by category

Commodore Business Machines Inc., 1200 Wilson Dr., Westchester, PA, 19380  
Compaq Systems, 8500 Wilshire Blvd., Beverly Hills, CA, 90211  
Compaq Computer Corp., 20333 FM149, Houston, TX, 77070  
Cromenco, Inc., 280 Bernardo Ave., P.O. Box 7400, Mountain View, CA, 94039  
DocuNet/Olivetti Corp., Consumer Products and Electronic Writing Systems Div., 155 White Plains Rd., Tarrytown, NY, 10591  
Fidelity Electronics Ltd., 8800 N.W. 36th St., Miami, FL, 33178  
Franklin Computer Corp., 2128 Rte. 38, Cherry Hill, NJ, 08002  
Fujitsu Systems of America, 9841 Airport Blvd., Ste. 620, Los Angeles, CA, 90045  
Gaylan Computer Corp., 240 Hacienda Ave., Campbell, CA, 95008  
Gimil Inc., 1337 W. 37th Pl., Chicago, IL, 60609  
Hewlett Packard, 1000 N.E. Circle Blvd., Corvallis, OR, 97330  
Highlands Computer Services, 14422 S.E. 132nd, Renton, WA, 98055  
IBM Corp., P.O. Box 1328, Boca Raton, FL, 33432  
International Components Corp., Distributor Products Div., 105 Maxx Rd., Melville, NY, 11747  
Ivy Video, Multi Media Entertainment, Inc., 165 W. 46th St., New York, NY, 10036  
Kaypro Corp., 533 Stevens Ave., Solana Beach, CA, 92075  
Magic Computer Co. Inc., Two Executive Dr., Fifth Floor, Fort Lee, NJ, 07024  
Mattel Inc., 5150 Rosecrans Ave., Hawthorne, CA, 90250  
Maxtron, 7807 A Telegraph Rd., Montebello, CA, 90640  
Micro Sci., 2158 S. Hathaway St., Santa Ana, CA, 92705  
NEC Home Electronics (U.S.A.), Inc., 1401 W. Estes Ave., Elk Grove Village, IL, 60007  
Olympia USA, Inc., P.O. Box 22, Somerville, NJ, 08876  
Osborne Computer Corp., 26500 Corporate Ave., Hayward, CA, 94545  
Panasonic, Consumer Electronics Group, One Panasonic Way, Secaucus, NJ, 07094  
Protel Video Inc., 4003 Decarie Blvd., Ste. 221, Montreal, Que. H4A 3J8, Canada  
SJA Industries Inc., 10023 Canoga Ave., Chatsworth, CA, 91311  
Sanyo Business Systems Corp., 51 Joseph St., Moonachie, NJ, 07074  
Spectravideo, Inc., 39 W. 37th St., New York, NY, 10018  
Tatung Co. of America, 2850 El Presidio St., Long Beach, CA, 90801  
Telecom Communications Corp., 2 Corporate Park Dr., White Plains, NY, 10604  
Telesys, 4334 Bryant St., Fremont, CA, 94539  
Televideo Systems, Inc., 1170 Morse Ave., Sunnyvale, CA, 94086  
Texas Instruments Inc., P.O. Box 225012, M/S 84, Dallas, TX, 75265  
Times Computer Corp., Park Rd. Extension, Waterbury, CT, 06725  
Tomy Corp., P.O. Box 6252, Carson, CA, 90749  
Vector Graphic, Inc., 500 N. Ventu Park Blvd., Thousand Oaks, CA, 91320  
Video Technology, 2633 Greenleaf Ave., Elk Grove Village, IL, 60007  
Visual Technology, Inc., 540 Main St., Tewksbury, MA, 01876  
Wholesale Technology, 1530 S. Sinclair, Anaheim, CA, 92806  
Zenith Data Systems, 1000 Milwaukee Ave., Glenview, IL, 60025

## PERSONAL COMPUTER PERIPHERALS

cd—Cassette Players  
dd—Disk Drives  
gc—Game Controllers  
m—Monitors  
p—Printers  
tm—Telephone Modems  
o—Other  
The Alien Group, 27 W. 23rd St., New York, NY, 10011  
Amdek Corp., 2001 Lively Blvd., Elk Grove Village, IL, 60007 (dd, m, p, o)  
Amiga Corp., 3350 Scott Blvd., Building #7, Santa Clara, CA, 95051 (gc)  
Androbot Inc., 101 E. Daggett Dr., San Jose, CA, 95134 (gc)  
Artex, Inc., Pine Haven Shore, Shelburne, VT, 05482  
Atari Inc., 1265 Borregas Ave., Sunnyvale, CA, 94086 (dd, gc)  
Axiom Inc., 70 Daggett Dr., San Jose, CA, 95134 (dd, o)  
B.C. Systems, 59 W. Wyoming Ave., Milrose, MA, 02176 (dd, m, p, tm)  
Canon U.S.A., Inc., Calculator Div., One Canon Plaza, Lake Success, NY, 11042 (p)  
Carter Corp., 1916 11th St., Rockford, IL, 61101  
Coleco Industries Inc., 200 Fifth Ave., Room 1234, New York, NY, 10010  
Commodore Business Machines Inc., 1200 Wilson Dr., Westchester, PA, 19380  
Compal Systems, 8500 Wilshire Blvd., Beverly Hills, CA, 90211 (dd, m, p, tm, o)  
Compuserp Inc., 6400 Signal St., Tillingham, OR, 97141 (dd, m, p, tm)  
Dataproducts Corp., 6200 Canoga Ave., Woodland Hills, CA, 91365 (o)  
Digitronics, Div. of Comtec, 53 John St., Cumberland, RI, 02864 (o)  
DocuNet/Olivetti Corp., Consumer Products and Electronic Writing Systems Div., 155 White Plains Rd., Tarrytown, NY, 10591 (dd, o)  
Electra Co., Div. Masco Corp., 300 E. County Line Rd., Cumberland, IN, 46229 (p)  
Fidelity Electronics Ltd., 8800 N.W. 36th St., Miami, FL, 33178  
Franklin Computer Corp., 2128 Rte. 38, Cherry Hill, NJ, 08002 (dd)  
Frobco, A Div. of Tri-comp Polytechnical, Inc., P.O. Box 8378, Santa Cruz, CA, 95061  
Hayes Microcomputer Products, Inc., 5923 Peachtree Industrial Blvd., Norcross, GA, 30092  
Houston Instrument, Div. of Bausch & Lomb, 8500 Cameron Rd., Austin, TX, 78753  
Human Engineered Software, HesWare, 150 N. Hill Dr., Brisbane, CA, 94005 (p, o)  
IBM Corp., P.O. Box 1328, Boca Raton, FL, 33432 (dd, m, p, tm, o)  
Infoscribe, 2720 S. Croddy Way, Santa Ana, CA, 92704 (p)  
Ivy Video, Multi Media Entertainment, Inc., 165 W. 46th St., New York, NY, 10036  
Koala Technologies Corp., 3100 Patrick Henry Dr., Santa Clara, CA, 95050 (dd, m, p, tm)  
Leading Edge Products Inc., 225 Turnpike St., Canton, MA, 02021 (p)  
MPI, 4426 S. Century Dr., UT, 84107  
Magic Computer Co. Inc., Two Executive Dr., Fifth Floor, Fort Lee, NJ, 07024  
Mann Endless Cassette, Ind. Corp., P.O. Box 1347, San Francisco, CA, 94101 (cp)  
Maxtron, 7807 A Telegraph Rd., Montebello, CA, 90640 (cp, m)  
Micro D. California Branch, 17406 Mt. Clifford Cir., Fountain Valley, CA, 92708  
Micro Sci., 2158 S. Hathaway St., Santa Ana, CA, 92705 (cp, dd, gc, m, p, tm)  
NEC Home Electronics (U.S.A.), Inc., 1401 W. Estes Ave., Elk Grove Village, IL, 60007  
Novation, Inc., 20409 Prairie St., Chatsworth, CA, 91311 (cp, dd, gc, m, p)  
Okidata Corp., 111 Gaiter Dr., Mt. Laurel, NJ, 08054 (tm)  
Panasonic, Consumer Electronics Group, One Panasonic Way, Secaucus, NJ, 07094  
Protel Video Inc., 4003 Decarie Blvd., Ste. 221, Montreal, Que. H4A 3J8, Canada (cp, dd, gc, m, p, tm)  
Questar Controls, Inc., 670 N.W. Pennsylvania Ave., Chelms, WA, 98532 (gc)  
RCA Microcomputer Products, New Holland Ave., Lancaster, PA, 17604 (m, tm, o)  
RKO Tape Corp., 3 Fairfield Crescent, W. Caldwell, NJ, 07006 (o)  
RKS Industries, Inc., 4865 Scotts Valley Dr., Scotts Valley, CA, 95066 (o)  
RACET Computers, Ltd., 1855 W. Katella, Ste. 255, Orange, CA, 92667 (dd, o)  
Roland Corp., 3335 N. Arlington Hts. Rd., Arlington Heights, IL, 60004 (gc)  
Sanyo Business Systems Corp., 51 Joseph St., Moonachie, NJ, 07074 (dd, m, p, tm)  
Spectravideo, Inc., 39 W. 37th St., New York, NY, 10018 (dd, p)  
Suncom, Inc., 650 Anthony Tr., Ste. E, Northbrook, IL, 60062 (gc)  
Tatung Corp., 3444 Hancock St., San Diego, CA, 92110 (tm, o)  
Teal Industries Inc., 1741 Lomita Blvd., Lomita, CA, 90717 (dd, m, p)  
Teknika Electronics Corp., 1633 Broadway, New York, NY, 10019 (p)  
Telex Technology Industries, 616A N. Anaheim Blvd., Anaheim, CA, 92805 (tm)  
Telecom Communications Corp., 2 Corporate Park Dr., White Plains, NY, 10604 (dd, m, tm)

Telephone Company, Inc., 444 S. 9th Ave., Mount Vernon, NY, 10550 (cp)  
Texas Instruments Inc., P.O. Box 225012, M/S 84, Dallas, TX, 75265 (cp, dd, gc, m, p, tm)  
Times Computer Corp., Park Rd. Extension, Waterbury, CT, 06725 (cp, dd, gc, m, p, tm)  
Vector Graphic, Inc., 500 N. Ventu Park Blvd., Thousand Oaks, CA, 91320 (p)  
Video Technology, 2633 Greenleaf Ave., Elk Grove Village, IL, 60007 (cp, dd, gc, m, p, tm)  
Visual Technology, Inc., 540 Main St., Tewksbury, MA, 01876 (m)  
Webcor Electronics Corp., 28 S. Terminal Dr., Plainville, NY, 11803 (gc)  
Wholesale Technology, 1530 S. Sinclair, Anaheim, CA, 92806 (dd, gc, m)  
Zenith Data Systems, 1000 Milwaukee Ave., Glenview, IL, 60025 (m, p, tm, o)  
Zicom International, Inc., 475 Vandell Way, Campbell, CA 95008  
Zircon Telephonics, 207 South St., Boston, MA, 02111 (tm, o)

## PERSONAL COMPUTER SOFTWARE

bf—Blank Floppy Disks  
pf—Preprogrammed Sloppy Disks  
bc—Blank Cassettes  
pc—Preprogrammed Cassettes  
rc—ROM Cartridges  
Activision Inc., Drawer 7286, Mountain View, CA, 94043 (pf)  
Adventure International, Box 3435, Longwood, FL, 32750 (pf, pc)  
Androbot Inc., 101 E. Daggett Dr., San Jose, CA, 95134 (pf)  
Artex, Inc., Pine Haven Shore, Shelburne, VT, 05482 (pf)  
Artsci/Softape, 5547 Sattuma Ave., N. Hollywood, CA, 91601 (pf)  
Atari Inc., 1265 Borregas Ave., Sunnyvale, CA, 94086 (pf)  
Audio Control Corp., 6520 212th St., S.W., 8-1, Lynnwood, WA, 98036 (pf)  
Avalon Hill, 4517 Harford Rd., Baltimore, MD, 21204 (pf, pc)  
Axiom Inc., 70 Daggett Dr., San Jose, CA, 95134 (pf)  
BASF Systems Corporation, Crosby Dr., Bedford, MA, 01730 (pf)  
Broderbund Software, 1938 Fourth St., San Rafael, CA, 94901 (bf, bc)  
Bruce & James Program Publishers Inc., 4500 Teller Rd., Dublin, OH, 43017 (pf)  
CBS Electronics, 41 Madison Ave., New York, NY, 10010 (pf)  
Certon, 1701 S. State College Blvd., Anaheim, CA, 92806 (pc)  
Chico Sound, Inc., 1432-1440 Randolph Ave., Avenel, NJ, 07001 (bf)  
Coleco Industries Inc., 200 Fifth Ave., Room 1234, New York, NY, 10010 (pf, rc)  
Commodore Business Machines Inc., 1200 Wilson Dr., Westchester, PA, 19380 (pf, pc)  
Compuserp Inc., 6400 Signal St., Tillingham, OR, 97141 (pf, pc, rc)  
Computer Magic Ltd., 18 East Mall, Plainville, NY, 11803 (pf, bc)  
Continental Software, 11223 S. Hindry Ave., Los Angeles, CA, 90045 (pf)  
Creative Software, 230 E. Caribbean Dr., Sunnyvale, CA, 94086 (pf)  
DataSoft Inc., 9421 Winneta Ave., Chatsworth, CA, 91311 (pc)  
Designware, Inc., 185 Berry St., San Francisco, CA, 94107 (pc)  
DocuNet/Olivetti Corp., Consumer Products and Electronic Writing Systems Div., 155 White Plains Rd., Tarrytown, NY, 10591 (pf)  
EPYX (Automated Simulations), 1043 Kael Ct., Sunnyvale, CA, 94086 (pf, pc, rc)  
Edufun, Div. Miliken Publishing, 1100 Research Blvd., St. Louis, MO, 63132 (pf, pc, rc)  
EduWare Services, Inc., 28035 Dorothy Dr., Agoura Hills, CA, 91301 (pf, pc)  
Electric Video Inc., 1116 Edgewater Ave., Ridgefield, NJ, 07657 (pf)  
Electronic Arts, 2755 Campus Dr., San Mateo, CA, 94403 (pc)  
Emerald Valley Publishing Co., 1500 Valley River Dr., Ste. 250, Eugene, OR, 97401 (pf)  
First Star Software, Inc., 22 E. 41st St., New York, NY, 10017 (pf, pc, rc)  
Fox Video Games, Inc., 4701 Patrick Henry Dr., Santa Clara, CA, 95050 (rc)  
Fox Video Games, 4701 Patrick Henry Dr., Santa Clara, CA, 95050 (rc)  
Frobco, A Div. of Tri-comp Polytechnical, Inc., P.O. Box 8378, Santa Cruz, CA, 95061 (rc)  
Fujitsu Systems of America, 9841 Airport Blvd., Ste. 620, Los Angeles, CA, 90045 (rc)  
Funware, Inc., 405 N. Bowler Bldg. A, Richardson, TX, 75081 (pf)  
Gamestar, 1308 State St., Santa Barbara, CA, 93101 (pf)  
Gavilan Computer Corp., 240 Hacienda Ave., Campbell, CA, 95008 (pf, rc)  
The Gordon Group, Marketing/Sales Int'l Div., 5219 N. 27th Ave., Ste. 9, Phoenix, AZ, 85017 (bf, bc)  
Highlands Computer Services, 14422 S.E. 132nd, Renton, WA, 98055 (pf, pc, rc)  
Human Engineered Software, HesWare, 150 N. Hill Dr., Brisbane, CA, 94005 (pf)  
INFOCOM, 55 Wheeler St., Cambridge, MA, 02138 (pf, pc, rc)  
Information Unlimited Software, Inc., 2401 Marinship Way, Sausalito, CA, 94965 (pf)  
Ingram Book Co., Software Div., 347 Reedwood Dr., Nashville, TN, 37217 (pf)  
Irish Magnetic Industries Inc., 270-78 Newtown Rd., Plainville, NY, 11803 (bf, bc)  
Jasco Products Co. Inc., P.O. Box 466, Oklahoma City, OK, 73101 (bf, bc)  
Koala Technologies Corp., 3100 Patrick Henry Dr., Santa Clara, CA, 95050 (pf, rc)  
Lifeboat Associates, 1651 Third Ave., New York, NY, 10028 (pf, rc)  
Lotus Development Corp., 55 Wheeler St., Cambridge, MA, 02138 (pf, pc, rc)



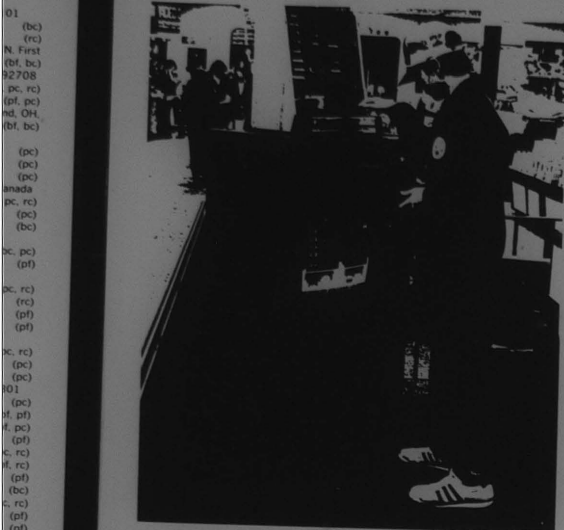
Mann Endless Cassette, Ind. Corp., P.O. Box 1347, San Francisco, CA, 94101 (bc)  
Maxtron, 7807 A Telegraph Rd., Montebello, CA, 90640 (rc)  
Memtek Products, Memores Consumer Products Sub. of Tandy Corp., 675 N. First St., San Jose, CA, 95112 (bf, bc)  
Micro D. California Branch, 17406 Mt. Clifford Cir., Fountain Valley, CA, 92708 (bf, pc, rc)  
Micro Sci., 2158 S. Hathaway St., Santa Ana, CA, 92705 (bf, pf, pc, rc)  
National Systems Corp., Computer Supplies Div., 12417 Cedar Rd., Cleveland, OH, 44106 (pf, pc)  
Panasonic, Consumer Electronics Group, One Panasonic Way, Secaucus, NJ, 07094 (bf, bc)  
Peachtree Software, Inc., 3445 Peachtree Rd., N.E., Atlanta, GA, 30326 (pc)  
Perfect Software, 1400 Shattuck Ave., Berkeley, CA, 94709 (pc)  
Protel Video Inc., 4003 Decarie Blvd., Ste. 221, Montreal, Que. H4A 3J8, Canada (bf, pf, bc, pc, rc)  
Quick Brown Fox, 548 Broadway, Ste. 4F, New York, NY, 10012 (pc)  
RKO Tape Corp., 3 Fairfield Crescent, W. Caldwell, NJ, 07006 (pc)  
RACET Computers, Ltd., 1855 W. Katella, Ste. 255, Orange, CA, 92667 (bf, bc, pc)  
Ritam Corp., P.O. Box 921, Fairfield, IA, 52556 (pf, bc, pc)  
Roland Corp., 3335 N. Arlington Hts. Rd., Arlington Heights, IL, 60004 (pf)  
Romax, 476 Vandell Way, Campbell, CA, 95008 (pf, pc, rc)  
Royal Business Machines, 500 Day Hill Rd., Windsor, CT, 06095 (rc)  
SJA Industries Inc., 10023 Canoga Ave., Chatsworth, CA, 91311 (pf)  
Sierra On-Line Software, Sierra On-Line Building, Coarsegold, CA, 93614 (pf, pc, rc)  
Silverline Video, P.O. Box 247, 5507 Nebraska Dr., Concord, CA, 94521 (pf, pc, rc)  
Sirius Software, 10364 Rockingham Dr., Sacramento, CA, 95827 (pc)  
Softset Computer Products Inc., 8295 S. La Cienega Blvd., Inglewood, CA, 90301 (pc)  
Softsmith Corp., 2935 Whipple Rd., Union City, CA, 94587 (bf, pc)  
Softsync, Inc., 14 E. 34th St., New York, NY, 10016 (bf, pc)  
Software Arts, 27 Mica Lane, Wellesley, MA, 02181 (pf)  
Spectravideo, Inc., 39 W. 37th St., New York, NY, 10018 (pf, pc, rc)  
Spinaker Software, 215 First St., Cambridge, MA, 02142 (pf, rc)  
Supersoft, P.O. Box 1628, Champlain, IL, 61820 (pf, rc)  
Swire Magnetics Co., 301 E. Alondra Blvd., Gardena, CA, 90248 (bf)  
Synapse Software, 5221 Central Ave., #200, Richmond, CA, 94804 (pf, pc, rc)  
TAN Corp., 3444 Hancock St., San Diego, CA, 92110 (pf)  
Taurus Software Corp., 3155 Kearney, Ste. 160, Fremont, CA, 94538 (pf)  
Telco Technology Industries, 616A N. Anaheim Blvd., Anaheim, CA, 92805 (bf)  
Telesys, 4334 Bryant St., Fremont, CA, 94539 (pf)  
Texas Instruments Inc., P.O. Box 225012, M/S 84, Dallas, TX, 75265 (pf, rc)  
Thorn EMI Video Inc., 1370 Ave. of the Americas, New York, NY, 10019 (pf)  
Threshold Corporation, 1832 Tribute Rd., Ste. E, Sacramento, CA, 95815 (pf)  
Times Computer Corp., Park Rd. Extension, Waterbury, CT, 06725 (pf, rc)  
United Microwave Industries, Inc., 3503 "C" Temple Ave., Pomona, CA, 91768 (pf, pc, rc)  
Video Technology, 2633 Greenleaf Ave., Elk Grove Village, IL, 60007 (pf, pc)  
Video Wizards, 292 Charcot Ave., San Jose, CA, 95131 (pc)  
Visual Technology, Inc., 540 Main St., Tewksbury, MA, 01876 (pc)  
Zeff Advanced Products Co., ZAPCO, 2135 Stone Ave., Modesto, CA, 95351 (bf, pf)  
Zenith Data Systems, 1000 Milwaukee Ave., Glenview, IL, 60025 (bf, pf)  
ZIMAG - Magnetic Tape Intl., 14600 S. Broadway, Gardena, CA, 90248 (bf)

## PERSONAL COMPUTER ACCESSORIES

Allsop, Inc., Fidelity Accessories, 4201 Meridian St., Bellingham, WA, 98226  
Amdek Corp., 2001 Lively Blvd., Elk Grove Village, IL, 60007  
Androbot Inc., 101 E. Daggett Dr., San Jose, CA, 95134  
Artex, Inc., Pine Haven Shore, Shelburne, VT, 05482  
Axiom Inc., 70 Daggett Dr., San Jose, CA, 95134  
Bio Audio Video Products, Kelsey Industries, 1751 Jay Ell Dr., Richardson, TX, 75081  
Commodore Business Machines Inc., 1200 Wilson Dr., Westchester, PA, 19380  
DataSoft Inc., 9421 Winneta Ave., Chatsworth, CA, 91311  
Dewar, a division of Jensen, an Esmark Company, 1407 N. Providence Rd., P.O. Box 6021, Columbia, MO, 65205  
DocuNet/Olivetti Corp., Consumer Products and Electronic Writing Systems Div., 155 White Plains Rd., Tarrytown, NY, 10591  
Electrolent, Inc., Fuzz Buster & Weatherizer, 4949 South 25-A, Tipp City, OH, 45371  
Falcon Safety Products, Inc., 1065 Bristol Rd., Mountaineers, NJ, 07092  
Fournier Accessory Furniture Inc., 5040 Winneta Ave., N., New Hope, MN, 55428  
Franz Company, Inc., 352 Park Ave., S., New York, NY, 10010  
Gemini Industries Inc., 215 E. 10th St., Clifton, NJ, 07014  
Herald Electronics, 6611 N. Lincoln Ave., Chicago, IL, 60645  
Innovative Concepts, Inc., 1971 Concourse Dr., San Jose, CA, 95131  
Ivy Video, Multi Media Entertainment, Inc., 165 W. 46th St., New York, NY, 10036  
Jasco Products Co. Inc., P.O. Box 466, Oklahoma City, OK, 73101  
Kustom Kreations, 19316 Londellist St., Northridge, CA, 91324  
Luvon, Inc., 1129 S. Bridge St., Belding, MI, 48809  
Maxtron, 7807 A Telegraph Rd., Montebello, CA, 90640  
Memtek Products, Memores Consumer Products Sub. of Tandy Corp., 675 N. First St., San Jose, CA, 95112  
Mid America Plastics, 6860 Canby, #119, Reseda, CA, 91335  
National Systems Corp., Computer Supplies Div., 12417 Cedar Rd., Cleveland, OH, 44106  
Norronics, Recorder Care, 8101 Tenth Ave., N., Minneapolis, MN, 55427  
Protel Video Inc., 4003 Decarie Blvd., Ste. 221, Montreal, Que. H4A 3J8, Canada  
Questar Controls, Inc., 670 N.W. Pennsylvania Ave., Chelms, WA, 98532  
Reliance Plastics & Packaging, 225 Bellevue Ave., Bloomfield, NJ, 07003  
Robins Industries, 75 Austin Blvd., Commack, NY, 11725  
Sanyo Business Machines, 500 Day Hill Rd., Windsor, CT, 06095  
Safe America, Portable Battery Div., 931 Vandalia St., St. Paul, MN, 55114  
Times Computer Corp., Park Rd. Extension, Waterbury, CT, 06725  
Transcriber Co., Attleboro, MA, 02703  
Visual Technology, Inc., 540 Main St., Tewksbury, MA, 01876  
Zenith Data Systems, 1000 Milwaukee Ave., Glenview, IL, 60025  
Artec, Inc., Pine Haven Shore, Shelburne, VT, 05482  
Atari Inc., 1265 Borregas Ave., Sunnyvale, CA, 94086  
Barco Sales Ltd., Inc., 1341 S.W. 20th Terr., Fort Lauderdale, FL, 33312  
CBS Electronics, 41 Madison Ave., New York, NY, 10010  
Coleco Industries Inc., 200 Fifth Ave., Room 1234, New York, NY, 10010  
Computer Magic Ltd., 18 East Mall, Plainville, NY, 11803  
Evidy, 390 Java Dr., Sunnyvale, CA, 94086  
Frobco, A Div. of Tri-comp Polytechnical, Inc., P.O. Box 8378, Santa Cruz, CA, 95061  
General Consumer Electronics Inc., Milton Bradley Co., 233 Wilshire Blvd., Ste. 220, Santa Monica, CA, 90401  
International Components Corp., Distributor Products Div., 105 Maxx Rd., Melville, NY, 11747  
Mattel Inc., 5150 Rosecrans Ave., Hawthorne, CA, 90250  
NEC Home Electronics (U.S.A.), Inc., 1401 W. Estes Ave., Elk Grove Village, IL, 60007  
New Products Co., State Hwy. 73 & Fellowship Rd., Maple Shade, NJ, 08052  
Odyssey, N.A.P. Consumer Electronics, Box 6950, I-40 & Straw Plains Pike, Knoxville, TN, 37914  
Palmtex, 1167 Chess Dr., Ste. E, Foster City, CA, 94404  
Protel Video Inc., 4003 Decarie Blvd., Ste. 221, Montreal, Que. H4A 3J8, Canada  
Questar Controls, Inc., 670 N.W. Pennsylvania Ave., Chelms, WA, 98532  
Transcriber Co., Attleboro, MA, 02703  
Video Technology, 2633 Greenleaf Ave., Elk Grove Village, IL, 60007  
Video Trend, 24611 Crestview Ct., Farmington Hills, MI, 48018

## MERCHANDISING





## VIDEOGAME CONTROLLERS

Amiga Corp., 3350 Scott Blvd., Building #7, Santa Clara, CA, 95051  
Atari Inc., 1265 Borregas Ave., Sunnyvale, CA, 94086  
Discwasher, a division of Jensen, an Esmark Company, 1407 N. Providence Rd., P.O. Box 6021, Columbia, MO, 65205  
Gemin Industries Inc., 215 E. 10th St., Clinton, NJ, 07014  
Ingram Book Co., Software Div., 347 Reedwood Dr., Nashville, TN, 37217  
Koch Company, 14252 Culver Dr., Ste. A-187, Irvine, CA, 92714  
Micro D. California Branch, 17406 Mt. Clifford Cir., Fountain Valley, CA, 92708  
Protel Video Inc., 4003 Decarie Blvd., Ste. 221, Montreal, Que. H4A 3J8, Canada  
Spectravideo, Inc., 39 W. 37th St., New York, NY, 10018  
Suncom, Inc., 650 Anthony Tr., Ste. E, Northbrook, IL, 60062  
TG Products, 1104 Summit Ave., Ste. 110, Plano, TX, 75074  
Video Technology, 2633 Greenleaf Ave., Elk Grove Village, IL, 60007  
Wico Corp., 6400 West Gross Point Rd., Niles, IL, 60648  
Zircan International, Inc., 475 Vandell Way, Campbell, CA

## VIDEOGAME SOFTWARE

Activision Inc., Drawer 7286, Mountain View, CA, 94043  
Adventure International, Box 3435, Longwood, FL, 32750  
Amiga Corp., 3350 Scott Blvd., Building #7, Santa Clara, CA, 95051  
Artsoft/Softape, 5547 Salsuma Ave., N. Hollywood, CA, 91601  
Atari Inc., 1265 Borregas Ave., Sunnyvale, CA, 94086  
Avan Hill, 4157 Harford Rd., Baltimore, MD, 21204  
Coloco Industries Inc., 200 Fifth Ave., Room 1234, New York, NY, 10010  
CBS Electronics, 41 Madison Ave., New York, NY, 10017  
Compuser Inc., 6400 Signal St., Tillamook, OR, 97141  
Computer Magic Ltd., 18 East Mall, Plainville, NY, 11803  
Datasoft Inc., 9421 Winnetka Ave., Chatsworth, CA, 91311  
Fox Star Software, Inc., 22 E. 41st St., New York, NY, 10017  
Fox Video Games, Inc., 4701 Patrick Henry Dr., #9, Santa Clara, CA, 95050  
Frobco, A Div. of Tri-comp Polytechnical, Inc., P.O. Box 8378, Santa Cruz, CA, 95061  
General Consumer Electronics Inc., Milton Bradley Co., 233 Wilshire Blvd., Ste. 220, Santa Monica, CA, 90401  
Imagic, 981 University Ave., Los Gatos, CA, 95030  
Ingram Book Co., Software Div., 347 Reedwood Dr., Nashville, TN, 37217  
Mattel, Inc., 5150 Rosecrans Ave., Hawthorne, CA, 90250  
Milton Bradley Co., 111 Maple St., Springfield, MA, 01101  
Odyssey, N.A.P. Consumer Electronics, Box 6950, 140 & Straw Plains Pike, Knoxville, TN, 37914  
Palmtex, 1167 Chess Dr., Ste. E, Foster City, CA, 94404  
Parker Brothers, 50 Dunham Road, Beverly, MA, 01915  
Protel Video Inc., 4003 Decarie Blvd., Ste. 221, Montreal, Que. H4A 3J8, Canada  
Romo, 476 Vandell Way, Campbell, CA, 95008  
Sierra On-Line Software, Sierra On-Line Building, Coarsesgold, CA, 93614  
Spectravideo, Inc., 39 W. 37th St., New York, NY, 10018  
TG Products, 1104 Summit Ave., Ste. 110, Plano, TX, 75074  
Telecomm Office Products, Inc., 2100 E. Foothill Blvd., Pasadena, CA, 91107  
Telesys, 43334 Bryant St., Fremont, CA, 94539  
Tiger Electronic Toys, 909 Orchard, Mundelein, IL, 60060  
Total Video Supply, 9181-A Kearny Villa Ct., San Diego, CA, 92123  
Video Technology, 2633 Greenleaf Ave., Elk Grove Village, IL, 60007  
Video Wizards, 292 Charcot Ave., San Jose, CA, 95131  
Wizard Video Inc., 948 N. Fairfax Ave., Los Angeles, CA, 90046

## VIDEOGAME ACCESSORIES

Amiga Corp., 3350 Scott Blvd., Building #7, Santa Clara, CA, 95051  
Atari Inc., 1265 Borregas Ave., Sunnyvale, CA, 94086  
Carter Corp., 1916 11th St., Rockford, IL, 61101  
Compuser Inc., 6400 Signal St., Tillamook, OR, 97141  
Computer Magic Ltd., 18 East Mall, Plainville, NY, 11803  
EVG, Inc., 186 Buffalo Ave., Freeport, NY, 11520  
Franz Company, Inc., 352 Park Ave., S., New York, NY, 10010  
Gemin Industries Inc., 215 E. 10th St., Clinton, NJ, 07014  
General Consumer Electronics Inc., Milton Bradley Co., 233 Wilshire Blvd., Ste. 220, Santa Monica, CA, 90401  
Hagerston Leather Goods Co., P.O. Box 470, Hagerston, MD, 21740  
Herald Electronics, 6611 N. Lincoln Ave., Chicago, IL, 60645  
Ingram Book Co., Software Div., 347 Reedwood Dr., Nashville, TN, 37217  
Innovative Concepts, Inc., 1971 Concourse Dr., San Jose, CA, 95131  
Koch Company, 14252 Culver Dr., Ste. A-187, Irvine, CA, 92714  
Kustom Kreation, 19316 Londeus St., Northridge, CA, 91324  
LeRo/Peerless, 60 West St., Bloomfield, NJ, 07003  
Micro D. California Branch, 17406 Mt. Clifford Cir., Fountain Valley, CA, 92708  
Mid America Plastics, 6860 Canby, #119, Reseda, CA, 91335  
Protel Video Inc., 4003 Decarie Blvd., Ste. 221, Montreal, Que. H4A 3J8, Canada  
Questar Controls, Inc., 670 N.W. Pennsylvania Ave., Chelms, WA, 98532  
RKS Industries, Inc., 4865 Scotts Valley Dr., Scotts Valley, CA, 95066  
RMS Electronics Inc., 50 Antin Pl., Bronx, NY, 10462  
Robins Industries, 75 Austin Blvd., Commack, NY, 11725  
Spectravideo, Inc., 39 W. 37th St., New York, NY, 10018  
Suncom, Inc., 650 Anthony Tr., Ste. E, Northbrook, IL, 60062  
Total Video Supply, 9181-A Kearny Villa Ct., San Diego, CA, 92123  
Video Technology, 2633 Greenleaf Ave., Elk Grove Village, IL, 60007  
Zircan International, Inc., 475 Vandell Way, Campbell, CA

# Major Appliances

## AIR TREATMENT

ac—Air Cleaners (Built In)  
de—Dehumidifiers  
ra—Room Air Conditioners  
Admiral, Div. of Magic Chef, Inc., 1701 E. Woodfield Rd., Schaumburg, IL, 60196  
Amana Refrigeration Inc., Amana, IA, 52204 (de, ra)  
The Amcor Group, Ltd., Empire State Bldg., 19th Fl., New York, NY, 10118 (de, ra)  
Crosley Group Inc., P.O. Box 1959, Winston Salem, NC, 27102 (ac, de)  
Emerson Quiet Cool Co., 400 Woodbine Ave., Woodbridge, NJ, 07095 (de)  
Fedders Corp., Woodbridge Ave., Edison, NJ, 08817 (de)  
Friedrich Air Conditioning & Refrigeration Co., Room Air Conditioning Division, 4200 N. Pan Am Expwy., San Antonio, TX, 78295  
Frigidaire Company, 3555 S. Kettering Blvd., Box WC4900, Dayton, OH, 45449  
General Electric, Major Appliance Business Group, Appliance Park, Bldg. 3, Rm. 209, Louisville, KY, 40225  
Gibson Appliance Company, A Div. of White Consolidated Industries, 1401 Van Demse, Greenville, MI, 48838 (de, ra)  
Guaranteed Compressor Replacement, Inc., Div. of Independent Dealers Service, 223 Cedar St., Box 681, St. Louis, MO, 63188 (de, ra)  
Holpoint, GE Co., Bldg. 4, Room 252, Louisville, KY, 40225 (ra)  
Ion Systems Inc. (ISI), 2546 Tenth St., Berkeley, CA, 94710 (ac)  
Kelvinator Appliance Co., A Div. of White Consolidated Industries, 930 Ft. Duquesne Blvd., Pittsburgh, PA, 15222 (de, ra)  
Lake Air International, Inc., 1701 N. Memorial Dr., Racine, WI, 53404 (ac)  
Magic Chef Inc., 740 King Edward Ave., Cleveland, TN, 37311 (de)  
Martin Industries, P.O. Box 128, Florence, CA, 94710 (de)  
Panasonic, Consumer Electronics Group, One Panasonic Way, Secaucus, NJ, 07094 (ra)  
Panasonic, Home Appliance Div., One Panasonic Way, Secaucus, NJ, 07094 (ra)  
Robbins & Myers, Inc., Comfort Conditioning Div., 2500 Frisco Ave., Memphis, TN, 38114 (ra)  
Rush Hampton Industries, Inc., P.O. Box 3000, Longwood, FL, 32750 (ac)  
Sanyo Electric Inc., 200 Riser Rd., Little Ferry, NJ, 07643 (ra)  
Whirlpool Corp., Benton Harbor, MI, 49022 (ac)  
White Westinghouse Appliance Co., A Div. of White Consolidated Industries, 930 Ft. Duquesne Blvd., Pittsburgh, PA, 15222 (de)

## CLEANUP

dw—Dishwashers  
fw—Food Waste Disposers  
tc—Trash Compactors  
Admiral, Div. of Magic Chef, Inc., 1701 E. Woodfield Rd., Schaumburg, IL, 60196  
Anaheim Manufacturing Co., 4240 E. La Palma Ave., Anaheim, CA, 92803 (dw)  
Caloric Corp., Topton, PA, 19562 (fw)  
Crosley Group Inc., P.O. Box 1959, Winston Salem, NC, 27102 (dw, fw, tc)  
Dwyer Products Corp., Calumet Ave., Michigan City, IN, 46360 (fw)  
Frigidaire Company, 3555 S. Kettering Blvd., Box WC4900, Dayton, OH, 45449 (dw, fw, tc)  
General Electric, Major Appliance Business Group, Appliance Park, Bldg. 3, Rm. 209, Louisville, KY, 40225 (dw, fw, tc)  
Gibson Appliance Company, A Div. of White Consolidated Industries, 1401 Van Demse, Greenville, MI, 48838 (dw, fw, tc)  
Gray & Dudley, 2300 Clifton Rd., Nashville, TN, 37209 (dw)  
Guaranteed Appliance Replacement Co., Div. of Independent Dealer Services, Box 681, 223 Cedar St., St. Louis, MO, 63188 (dw, fw, tc)  
Holpoint, GE Co., Bldg. 4, Room 252, Louisville, KY, 40225 (dw, fw, tc)  
In-Sink-Erator Div., Emerson Electric Co., 4700 21st St., Racine, WI, 53406 (dw, fw, tc)  
Jenn-Air Corp., 3035 Shadeland, Indianapolis, IN, 46226 (dw, fw, tc)  
Kelvinator Appliance Co., A Div. of White Consolidated Industries, 930 Ft. Duquesne Blvd., Pittsburgh, PA, 15222 (dw, fw, tc)  
KitchenAid, A Div. of Hobart Corp., World Headquarters, Troy, OH, 43374 (dw, fw, tc)  
Magic Chef Inc., 740 King Edward Ave., Cleveland, TN, 37311 (dw, fw, tc)  
Magic Chef West, Magic Chef Inc., 125 N. Vineland, P.O. Box 1219, City of Industry, CA, 91749 (dw, fw, tc)  
Maytag Co., Newton, IA, 50208 (dw, fw, tc)  
Modern-Aire Cyclone Corp., 7319 Lankershim Blvd., N. Hollywood, CA, 91605 (fw)  
Modern Maid, Topton, PA, 19562 (dw, fw, tc)  
O'Keefe & Merritt, Tappan Appliance Corp., Tappan Park, Mansfield, OH, 44901 (dw, fw, tc)  
Peerless-Premier Appliance Co., 119 S. 14th St., Belleville, IL, 62222 (dw, fw, tc)  
Roper Sales Corp., 1905 W. Court St., Box 867, Kankakee, IL, 60901 (dw, fw, tc)  
Royal Chef, Gray & Dudley, 2300 Clifton Rd., Nashville, TN, 37209 (dw, fw, tc)  
Tappan Appliance Division, Tappan Park, Mansfield, OH, 44901 (dw, fw, tc)  
Thermador/Waste King, A Div. of NI Industries, Inc., 5119 District Blvd., Los Angeles, CA, 90040 (dw, fw, tc)  
Whirlpool Corp., Benton Harbor, MI, 49022 (dw, fw, tc)  
White Westinghouse Appliance Co., A Div. of White Consolidated Industries, 930 Ft. Duquesne Blvd., Pittsburgh, PA, 15222 (dw, fw, tc)

## COOKING

er—Electric Ranges  
gr—Gas Ranges  
mw—Microwave  
co—Convection  
in—Induction  
Admiral, Div. of Magic Chef, Inc., 1701 E. Woodfield Rd., Schaumburg, IL, 60196  
Amana Refrigeration Inc., Amana, IA, 52204 (er, gr, mw)  
Athens Stove Works, P.O. Box 10, Athens, TN, 37303 (er, gr)  
Brown Stove Works, Inc., P.O. Box 2490, 1422 Carolina Ave., Cleveland, TN, 37311 (er, gr)  
Caloric Corp., Topton, PA, 19562 (er, gr, mw, co)  
Chambers Corp., Oxford, MS, 38655 (er, gr, mw, co)  
Crosley Group Inc., P.O. Box 1959, Winston Salem, NC, 27102 (er, gr, mw, co)  
Dacor, 950 S. Raymond Ave., Pasadena, CA, 91105 (er, gr, mw, co)  
Dwyer Products Corp., Calumet Ave., Michigan City, IN, 46360 (er, gr, mw, co)  
Frigidaire Company, 3555 S. Kettering Blvd., Box WC4900, Dayton, OH, 45449 (er, gr, mw, co)  
General Electric, Major Appliance Business Group, Appliance Park, Bldg. 3, Rm. 209, Louisville, KY, 40225 (er, mw, co, in)  
Gibson Appliance Company, A Div. of White Consolidated Industries, 1401 Van Demse, Greenville, MI, 48838 (er, gr, mw, co, in)  
Glenwood Range Co., A Div. of Caloric Corp., 435 Park Ave., Delaware, OH, 43015 (er, gr)  
Gold Star Electronics International Inc., 1050 Wall St., W. Lyndhurst, NJ, 07071 (er, gr)  
Gray & Dudley, 2300 Clifton Rd., Nashville, TN, 37209 (er, gr)  
Guaranteed Tube Replacement Co., Div. of Independent Dealer Services, Box 681, 223 Cedar St., St. Louis, MO, 63188 (mw)

Hardwick Stove Co., 240 Edwards St., Cleveland, TN, 37311 (er, gr, mw)  
Holpoint, GE Co., Bldg. 4, Room 252, Louisville, KY, 40225 (er, mw, co, in)  
Jenn-Air Corp., 3035 Shadeland, Indianapolis, IN, 46226 (mw)  
Kelvinator Appliance Co., A Div. of White Consolidated Industries, 930 Ft. Duquesne Blvd., Pittsburgh, PA, 15222 (er, gr, mw)  
Magic Chef Inc., 740 King Edward Ave., Cleveland, TN, 37311 (er, gr, mw)  
Magic Chef West, Magic Chef Inc., 125 N. Vineland, P.O. Box 1219, City of Industry, CA, 91749 (er, gr, mw)  
Mansfield Products Co., Div. White Westinghouse, 246 E. 4th St., Mansfield, OH, 44902 (er, gr, mw)  
Modern Maid, Topton, PA, 19562 (er, gr, mw)  
Monarch Range Co., 715 N. Spring St., Beaver Dam, WI, 53916 (er, gr)  
O'Keefe & Merritt, Tappan Appliance Corp., Tappan Park, Mansfield, OH, 44901 (er, gr, mw)  
Panasonic, Consumer Electronics Group, One Panasonic Way, Secaucus, NJ, 07094 (er, gr, mw)  
Panasonic, Home Appliance Div., One Panasonic Way, Secaucus, NJ, 07094 (er, gr, mw)  
Peerless-Premier Appliance Co., 119 S. 14th St., Belleville, IL, 62222 (er, gr)  
Quasar Co., 9401 W. Grand Ave., Franklin Park, IL, 60131 (mw)  
Riccar America Co., 14281 Franklin Ave., Tustin, CA, 92680 (mw)  
Roper Sales Corp., 1905 W. Court St., Box 867, Kankakee, IL, 60901 (er, gr, mw)  
Royal Chef, Gray & Dudley, 2300 Clifton Rd., Nashville, TN, 37209 (er, gr, mw)  
Samsung Electronics America Inc., 2707 Butterfield Rd., Ste. 270, Oak Brook, IL, 60521 (mw)  
Sanyo Electric Inc., 200 Riser Rd., Little Ferry, NJ, 07643 (mw)  
Sharp Electronics, 10 Sharp Plaza, Paramus, NJ, 07652 (er, gr)  
J.B. Slattery & Brothers Inc., 171 Wallabout St., Brooklyn, NY, 11206 (er, gr)  
Tappan Appliance Division, Tappan Park, Mansfield, OH, 44901 (er, gr, mw, co)  
Thermador/Waste King, A Div. of NI Industries, Inc., 5119 District Blvd., Los Angeles, CA, 90040 (er, gr, mw, co)  
Toshiba America Inc., Consumer Electronics Div., 82 Towana Rd., Wayne, NJ, 07470 (mw)  
Webbitt Corp., Webbitt Square, Maspeth, NY, 11378 (er, gr)  
Whirlpool Corp., Benton Harbor, MI, 49022 (er, gr)  
White Westinghouse Appliance Co., A Div. of White Consolidated Industries, 930 Ft. Duquesne Blvd., Pittsburgh, PA, 15222 (er, gr, mw)  
G. Wirth Corp., Illinois and Benton Sts., New Athens, IL, 62264 (er, gr)

## LAUNDRY

dr—Dryers  
mw—Washers  
Admiral, Div. of Magic Chef, Inc., 1701 E. Woodfield Rd., Schaumburg, IL, 60196  
Amana Refrigeration Inc., Amana, IA, 52204 (dr, wa)  
Crosley Group Inc., P.O. Box 1959, Winston Salem, NC, 27102 (dr, wa)  
Frigidaire Company, 3555 S. Kettering Blvd., Box WC4900, Dayton, OH, 45449 (dr, wa)  
General Electric, Major Appliance Business Group, Appliance Park, Bldg. 3, Rm. 209, Louisville, KY, 40225 (dr, wa)  
Gibson Appliance Company, A Div. of White Consolidated Industries, 1401 Van Demse, Greenville, MI, 48838 (dr, wa)  
Guaranteed Appliance Replacement Co., Div. of Independent Dealer Services, Box 681, 223 Cedar St., St. Louis, MO, 63188 (dr, wa)  
Holpoint, GE Co., Bldg. 4, Room 252, Louisville, KY, 40225 (dr, wa)  
Kelvinator Appliance Co., A Div. of White Consolidated Industries, 930 Ft. Duquesne Blvd., Pittsburgh, PA, 15222 (dr, wa)  
Magic Chef Inc., 740 King Edward Ave., Cleveland, TN, 37311 (dr, wa)  
Magic Chef West, Magic Chef Inc., 125 N. Vineland, P.O. Box 1219, City of Industry, CA, 91749 (dr, wa)  
Mansfield Products Co., Div. White Westinghouse, 246 E. 4th St., Mansfield, OH, 44902 (dr, wa)  
Maytag Co., Newton, IA, 50208 (dr, wa)  
Norge, Div. of Magic Chef Inc., Lyreria Dr., Herrin, IL, 62948 (dr, wa)  
Panasonic, Consumer Electronics Group, One Panasonic Way, Secaucus, NJ, 07094 (dr, wa)  
Panasonic, Home Appliance Div., One Panasonic Way, Secaucus, NJ, 07094 (dr, wa)  
Sanyo Electric Inc., 200 Riser Rd., Little Ferry, NJ, 07643 (dr, wa)  
Speed Queen Company, Roper, IL, 62451 (dr, wa)  
Warwick Manufacturing Corp., 1112 Cavalier Blvd., Chesapeake, VA, 23323 (dr, wa)  
Whirlpool Corp., Benton Harbor, MI, 49022 (dr, wa)  
White Westinghouse Appliance Co., A Div. of White Consolidated Industries, 930 Ft. Duquesne Blvd., Pittsburgh, PA, 15222 (dr, wa)

## REFRIGERATION

fr—Freezers  
re—Refrigerators  
Admiral, Div. of Magic Chef, Inc., 1701 E. Woodfield Rd., Schaumburg, IL, 60196 (fr, re)



**New York Gourmet Products Show:**  
November 2-4, New York Coliseum, New York City. Write: National Fairs, Inc., 45 Franklin St., Suite 301, San Francisco, CA 94102; 415/474-2300.

**Billboard's Fifth International Video Entertainment/Music Conference:**

November 15-17, The Vista International, New York City. Write: Billboard's Fifth International Video Entertainment/Music Conference, 9107 Wilshire Blvd., Suite 700, Beverly Hills, CA 90210; 213/859-5319.

**ITA Annual Membership Meeting and Update Seminar:**

November 22, Halloran House, New York City. Write: Henry Brief, ITA, 10 Columbus Circle, Suite 2270, New York, NY 10019; 212/956-7110.

## JANUARY

**Winter Consumer Electronics Show:**

January 7-10, Las Vegas Convention Center, Las Vegas, NV. Write: Bill Glasgow, Consumer Electronics Shows, Two Illinois Center, Suite 1607, 233 N. Michigan Ave., Chicago, IL 60601; 312/861-1040.

**NRMA 73rd Annual Convention & Business & Equipment Exposition:**

January 8-11, New York Hilton and Sheraton Center, New York City. Write: Mary Ellen McGroary, National Retail Merchants Assn., 100 W. 31st St., New York, NY 10001; 212/244-8780.

**Transworld Housewares & Variety Exhibit:**

January 13-17, O'Hare Exposition Center, Rosemont, IL. Write: Joe Thaler, Transworld Exhibits, 1850 Oak St., Northfield, IL 60093; 312/446-8434.

**National Association of Home Builders 40th Annual Convention & Exposition:**

January 21-24, Astrodome Complex, Houston, TX. Write: National Housing Center, 15th and M Sts. NW, Washington, DC 20005; 202/822-0200.

## FEBRUARY

**Domotecnica:**

February 8-11, Cologne, West Germany. Write: Hans Teetz, German American Chamber of Commerce, 666 Fifth Ave., New York, NY 10103; 212/974-8836.

**International Housewares Fair:**

February 8-11, Cologne, West Germany. Write: Hans Teetz, German American Chamber of Commerce, 666 Fifth Ave., New York, NY 10103; 212/974-8836.

**Winter National Hardware & Home Center Show:**

February 11-13, Las Vegas Convention Center, Las Vegas, NV. Write: William P. Farrell, American Hardware Manufacturers Assn., 931 N. Plum Grove Rd., Schaumburg, IL 60195; 312/885-1025.

## Trade Associations

(Continued from page 97)

**U.S. INDEPENDENT TELEPHONE ASSOCIATION**

1801 K Street, N.W., Suite 1201  
Washington, DC 20006  
202/872-1200  
George E. Pickett, executive vice president

**VACUUM BAG MANUFACTURERS ASSOCIATION**

380 N. Broadway  
Jericho, NY 11753  
516/822-8948  
Robert McKellar, managing director

**VACUUM CLEANER MANUFACTURERS ASSOCIATION**

1615 Collamer Street  
Cleveland, OH 44110  
216/851-2400  
Joseph C. Frantz, executive secretary

**VIDEO SOFTWARE DEALERS ASSOCIATION**

1008-F Astoria Blvd.  
P.O. Box 1910  
Cherry Hill, NJ 08034  
609/424-7117  
Joan Chase, administrative director

# Calendar of Events



**National Back-to-School Merchandise Show:**  
February 17-19, New York Coliseum, New York City. Write: David Thalheim, Thalheim Expositions, 98 Cutter Mill Rd., Great Neck, NY 11021; 212/357-3555.

**1984 Mid-America Show:**

February 20-21, Multi-Purpose Building, Ohio State Fairgrounds, Columbus, OH. Write: Mary W. Calvert, Ohio Hardware Assn., P.O. Box 1828, Columbus, OH 43216; 614/486-5278.

**International Hardware Fair:**

February 29-March 3, Cologne, West Germany. Write: Hans Teetz, German American Chamber of Commerce, 666 Fifth Ave., New York, NY 10103; 212/974-8836.

## MARCH

**NATM Buying Corp. Meeting:**

March 16-18, Doral Country Club, Miami, FL. Write: Saul Gold, 45 West 34th St., New York, NY 10001; 212/239-7222.

**American Institute of Kitchen Dealers Kitchen/Bath Industry Show:**

March 18-20, Sheraton World and Holiday Inn, Orlando, FL. Write: Bob Baker, 124 Main St., Hackettstown, NJ 07840; 201/852-0033.

**National Kitchen and Bath Conference:**

March 18-21, Sheraton World and Holiday Inn, Orlando, FL. Write: Bob Baker, 124 Main St., Hackettstown, NJ 07840; 201/852-0033.

**Multi-Housing World:**

March 18-20, Orlando, FL. Write: Barbara Dales, Gralla Conferences, 1515 Broadway, 24th Fl., New York, NY 10036; 212/869-1300.

**National Association of Recording Merchandisers Annual Convention:**

March 23-27, Diplomat, Hollywood, FL. Write: Dan Davis, 1008-F Astoria Blvd., Cherry Hill, NJ 08034; 609/424-7404.

## APRIL

**NARDA's Annual Convention:**

April 1-4, Chicago Marriott. Write: Mary Jawgiel, NARDA, 2 N. Riverside Plaza, Chicago, IL 60606; 312/454-0944.

**Transworld Housewares Show & Variety Exhibit:**

April 6-11, O'Hare Exposition Center, Rosemont, IL. Write: Ray Passis, Transworld Exhibits, 1850 Oak St., Northfield, IL 60093; 312/446-8434.

**Electronic Industries Association Annual Spring Conference:**

April 8-12, Marriott, Washington, DC. Write: Mark Rosenker, 2001 Eye St. NW, Washington, DC 20006; 202/457-4919.

**NHMA 80th International Housewares Exposition:**

April 8-12, McCormick Place and McCormick West, Chicago, IL. Write: Ronald A. Fippinger, National Housewares Manufacturers Assn., 1324 Merchandise Mart, Chicago, IL 60654; 312/644-3333 or 6363.

**Gas Appliance Manufacturers Association Meeting:**

April 15-18, The Breakers, Palm Beach, FL. Write: Norma Veno, GA-MA, 1901 N. Fort Myer Drive, Arlington, VA 20009;

703/525-9565.

## MAY

**International Gourmet Products Show:**

May 20-23, George R. Moscone Convention Center, San Francisco, CA. Write: National Fairs, Inc., 45 Franklin St., San Francisco, CA 94102; 415/474-2300.

**National LP Gas Association Annual Convention & Exposition:**

May 30-June 2, Houston Hyatt Regency. Write: Mike Spear, National LP Gas Assn., 1301 W. 22nd St., Oak Brook, IL 60521; 312/986-4800.

## JUNE

**Summer Consumer Electronics Show:**

June 3-6, McCormick Place, Chicago, IL. Write: Bill Glasgow, Consumer Electronics Shows, Two Illinois Center, Suite 1607, 233 N. Michigan Ave., Chicago, IL 60601; 312/861-1040.

## JULY

**Transworld Housewares Show & Variety Exhibit:**

July 13-17, O'Hare Exposition Center, Rosemont, IL. Write: Ray Passis, Transworld Exhibits, 1850 Oak St., Northfield, IL 60093; 312/446-8434.

**National Retail Hardware Association Annual Congress:**

July 22-26, The Hilton Hawaiian Village, Honolulu, HI. Write: William Mashaw, NRHA, 770 N. High School Rd., Indianapolis, IN 46224; 317/248-1261.

## AUGUST

**National Electronic Service Dealers Association Industry Convention and Show:**

August 6-11, St. Louis Sheraton, St. Louis, MO. Write: Barbara Rubin, NESDA, 2708 W. Berry, Ft. Worth, TX 76109; 817/921-9061.

**National Hardware Show/Hardware Industry Week:**

August 12-16, McCormick Place and McCormick West, Chicago, IL. Write: William Farrell, American Hardware Manufacturers Assn., 931 N. Plum Grove Rd., Schaumburg, IL 60195; 312/885-1025.

**National Association of Service Merchandising General Merchandise Convention & Trade Show:**

August 19-22, Opryland Hotel, Nashville, TN. Write: NASM, 805 Merchandise Mart, Chicago, IL 60654; 312/467-0046.

## SEPTEMBER

**51st National Merchandise Show:**

Sept. 8-11, New York Coliseum, New York City. Write: David Thalheim, Thalheim Expositions, Inc., 98 Cutter Mill Rd., Great Neck, NY 11021; 212/357-3555.

## OCTOBER

**Electronic Industries Association Annual Fall Conference:**

October 3-6, Fairmont Hotel, San Francisco, CA. Write: Mark Rosenker, 2001 Eye St. NW, Washington, DC 20006; 202/457-4919.

**Transworld Housewares Show & Variety Exhibit:**

October 8-11, O'Hare Exposition Center, Rosemont, IL. Write: Ray Passis, Transworld Exhibits, 1850 Oak St., Northfield, IL 60093; 312/446-8434.

**NHMA 81st International Housewares Exposition:**

October 9-12, McCormick Place and McCormick West, Chicago, IL. Write: Ronald A. Fippinger, National Housewares Manufacturers Assn., 1324 Merchandise Mart, Chicago, IL 60654; 312/664-6363.

## MERCHANDISING

## PROFILES IN COMPUTERS

What's happening on the retail front? Top dealers report in on what they're selling, how sales are growing, where their profits lie and what they expect to do in 1984.

## MISMANAGING THESE PRODUCTS CAN BE HAZARDOUS TO YOUR HEALTH

### Respect Your Limits In Home Healthcare

## HOME MARKET SAYS SO LONG TI, HELLO IBM WHAT DOES IT MEAN FOR RETAILERS?



NEW YORK — It could not have been a quieter Halloween weekend for computer retailers. On Friday, Texas Instruments abruptly dropped out of the market. Then on Tuesday, IBM officially announced it would enter it in the first quarter of 1984. Would consumers hold off buying a computer, waiting for the PCjr? Would fire sale prices on the PCjr erode sales of other products? Would Atari and Commodore be able to keep up with the demand?

### Room Air Conditioner Retailers Report:

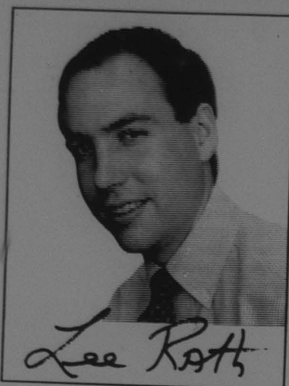
## EMPTY PIPELINES FAIL TO ALTER BUYING PLANS

The long hot summer of '83 will not affect how most dealers merchandise room air in '84.

## New association is formed to help telephone retailers

## CYCLICAL MANAGEMENT PEERS INTO THE FUTURE OF CONSUMER ELECTRONICS





## OVERVIEW

# Yes, it was a very good year, even at some computer stores

Before we assign 1983 to the history books, our editors, in their Trendings columns on the following pages, have taken a quick look back at the past 11 months.

What they have found is, overall, a good year in consumer electronics, major appliances and housewares. Each is certainly doing better than it did in 1982. And each has every reason to expect that the year to come will be even better.

Which is not to say there won't be problems—small glitches in an otherwise perfect picture that can create headaches, cause a little trouble or even bring an otherwise healthy industry to its knees. Which, for one reason or another, brings us to the home computer market.

Starting on page 29, our latest Retail Opinion File takes a close, hard look at a number of retailers who have, for better or worse, chosen to make a commitment to this category.

The numbers present a cool, somewhat detached picture of what's going on (a picture that's hard to come by) in this emotionally charged market. What they do not reflect is the blood, sweat and tears that have been computer-generated this year.

Not all of the retailers who responded to our questionnaire are making it

in computers. Some are waiting for the smoke to clear before they even enter the market. And others, although it's a small percentage, have already been involved, been burned and been scared enough to exit, and quickly.

The reasons they cite for their retreat are not secret. They include a lack of profits, market instability, the dearth of price protection and the crunch of competition coming at them from every angle.

"It's a stupid way to lose money," concluded one disgruntled dealer.

And it's a sad way, too. For what we have here is a young, vital category that's going through one of the toughest infancies in the history of consumer electronics.

### Sharing the blame

The problems are rooted in many areas. On the retail side are some dealers who embraced computers all too quickly without thinking their move through. They were unprepared or unwilling to invest the time and money it took to give this product a fair trial.

One day, the computer is going to be as easy to sell as a 19-in. color TV. But that time has not yet arrived.

At the same time, we had the hardware manufacturers peddling their

wares as the must-have products of the Eighties. They pushed price. And they pushed power. But they have yet to succeed in convincing any large portion of the population that every home must have a computer.

Meanwhile, the software publishers did their best to come up with legitimate uses for home computers, uses that will bring more consumers into the market and keep them in for the long haul. But the software community does not, as yet, have the financial power to place a major promotional effort behind its products. At least for now, that burden must fall on the hardware industry.

So what we were left with this year was a half-dozen computer manufacturers, all convinced that they could capture 25 percent of a vastly overestimated market. It's no wonder they ran into trouble, dragging the retailers right along with them.

Now, however, heading into the new year, there are a number of reasons for optimism. First off, it looks like hardware prices may actually be starting to stabilize. Secondly, some of the players in this electronic ball game have changed. TI's been sent to the showers. IBM's up next. And there's a new focus at Atari that should help get that firm out of its slump.

Let's hope this new lineup can evolve some programs that can attract the customers and legitimately support the retailers—even, perhaps, bring back a few of those who already have fallen by the wayside.



## Letters to the Editor

### Three cheers

Dear Editor:

Three cheers for Jenni Stern's superb column in the September issue of *Merchandising*. What a lift to see in print the same concerns I have been vocalizing for five years.

I am tired of male colleagues accusing me of being "overly sensitive" to the role of women in the consumer electronics industry. It was refreshing to see that someone else shares the same opinion.

Keep up the good work. I enjoy your columns and look forward to reading them each month.

Best regards,  
Debra Novitz  
President  
Concept Marketing  
Richmond, CA

### Past as prologue

Dear Editor:

Regarding Nancy Markov's article, Domestic suppliers say 'no threat' about Sanyo's 15-cu.-ft. refrigerator, in October's issue.

I could not believe my eyes when I read the complacent attitude expressed by the executives interviewed for this article. Their comments reminded me of the long-gone attitude that the automobile industry had.

The Japanese have already made strong in-roads into the microwave industry as well as compact laundry and refrigeration. I can foresee that with the increased cost of domestic appliances, combined with these complacent attitudes, a door is opening wider for the introduction and acceptance of smaller, more efficient and less costly appliances.

As someone once said, "Those who forget the past are condemned to repeat it." I just hope that the domestic appliance manufacturers wake up and turn around to see who

may be creeping up on them.

Sincerely,  
Mark Plewacki  
Buyer  
The Higbee Co.  
Cleveland, OH

### Great expectations

Dear Editor:

I read the Mystery Shopper column every issue and I think you are asking too much from the retail stores you "harass." You surely cannot expect a sales clerk to be knowledgeable about every item his store sells, especially since electronics items change constantly, sometimes becoming obsolete before the dealer can unpack them!

Also, you seem to suffer from the same disease that many consumers do. You want "trained" salespeople, but you only want to pay "whole-sale" prices. When a consumer patronizes a discount store, he should know what he wants, not expect a person earning minimum wage to be an electronics engineer.

I work in a small electronics store and try never to be rude to keep a customer waiting. But perhaps clerks can size you up as a time waster and prefer to help customers who really mean "business."

Sincerely,  
Connie Jacobelli  
Glass City Radio and Television  
Jeanette, PA

### We'll all feel the pain

Dear Editor:

Thanks for another good issue (October)!

As for the "chicken and egg" issue in Aaron Neretin's column, I think there is an easy answer. A look at any franchise yields endless demands on the retailer and no corresponding promises from the manufacturer. I'm certain any lawyer consultant you

might have will agree this is an "adhesion" contract, that is one where the more powerful party forces unequal terms on the less powerful party.

It is just those terms that enforce this lack of teamwork and commitment you refer to. I have tried writing addendums to franchises that would create a more stable and respectful situation between supplier and retailer with a deliberate and positive effect on the consumer/retailer interface. Most suppliers laughed in my face. A few found it "interesting." A couple of not-so-guilty suppliers even signed. Again, who is pouring cold water? Not me, the retailer!

It was obvious to me that most suppliers did not view this in any larger text than politics. They would only accept if I were big enough to force it on them.

The fact that at least you and I agree that there is a problem has yet to receive any thought or consideration in supplier circles... guess why there's a problem?

This is not to excuse many retailers' attempts to milk a supplier; they just should not let them... but as long as supplier/retailer relations are viewed as a "political" battle, I predict they will be had again and again. I weep because I agree with you, "We'll all feel the pain."

Sincerely,  
Kimberly John Crumb  
President  
Audio Innovations  
Edina, MN

### Your letters invited

*Merchandising* invites reader response, questions and comments. Please send correspondence to: *Merchandising*, 1515 Broadway, New York, NY 10036. Letters may be edited for publication because of space requirements.



Patricia Monahan

## 1983 was not a joyride for computer retail market

It's been a year of ups and downs on the home computer market roller coaster. And the ride isn't over yet. On the down side, unexpected turns, such as the recent Texas Instruments pull-out have left retailers reeling. And the staggering speed of the industry continues to destroy any attempts to plan ahead. As a result, dealers spent a good part of 1983 playing catch-up with the manufacturers. In some cases, the ink on the ad wasn't even dry before hardware prices were slashed again.

In fact, retailers could never even be sure if what they were promoting would be backed by stock on the selling floor.

Many major introductions at the Consumer Electronics Shows never made it into production. And retailers often were left wondering where were the products that were being produced.

Witness the Adam from Coleco. Promised from late August through mid-October, it took longer than that to start creeping into the stores.

Similarly, Atari's 600XL and 800XL were in short supply. And disk drives for the Commodore 64 were, at least for a while, little more than a pleasant memory.

Quite the opposite was true of software, where the cavalcade of titles threatened to bury retailers alive. Many turned to rack jobbers and software distributors to cut through the clutter. They also began to stick to one family line instead of trying to sell everything.

Promising further relief, alternate distribution services, such as Romox and Vimart, emerged this year. But while electronic methods can help retailers by cutting down the inventory they must carry, some are wondering if the retail market might not be left out of the picture altogether at some point in the future if electronic distribution reaches right into the home.

And although those who follow the industry say the number of software vendors will decrease, several notable players entered the field this year, namely book publishing companies such as Simon and Schuster and McGraw Hill.

### On the upside...

Nevertheless, 1983 was not without its finer moments. The industry produced its first true winner in the form of the Commodore 64—the first 64K computer at the right price for the mass market. And late in the year, the IBM PCjr was previewed, giving dealers a peek at markets to come.

In software, manufacturers have begun to answer the old consumer question, "What's in it for me?" with a wide variety of new programs, ranging from education to self-improvement.

While entertainment software is still expected to grab at least 30 percent of the market this year, there is a definite trend towards more serious applications.

Manufacturers also have helped out by providing better training programs for retail sales staff, improved merchandising aids and more effective point-of-purchase displays to help eliminate some of the confusion.

Also helping is the consumer himself, who is steadily evolving into a much more sophisticated animal. Spurred by their computer-literate children and the increased use of computers in the work place, people have begun to differentiate between the computer as a toy and as a tool.

This relieves some of the pressures on retailers to act as computer science teachers, leaving them free to sell and reach out to new markets—such as schools, predicted to generate \$370 million in retail sales this year.

So as 1983 draws to a close, we find the retail roller coaster heading up yet another incline in the computer market. Will it continue its climb, or plunge down yet another bone-breaking descent into who-knows-what below? Stay tuned.

## Only MERCHANDISING Gives You Complete, Up-To-The-Minute Coverage Of The Home/Auto Electronics Industry — Plus Exclusive Extras All Year Long

To find out the latest industry news, there's no better source than the latest issue of MERCHANDISING. We report on new trends and developments, new products and forces which might have an effect on the industry, including government actions, legislation, etc. And, via the regular Trendings column, store operations features and retailer interviews and round-ups, you'll stay on top of current merchandising, sales, promotion and display techniques.

### MERCHANDISING's Exclusive Features Keep You Fully Informed

MERCHANDISING keeps you informed throughout the year to give you a complete knowledge of the industry. That includes the Annual Statistical & Marketing Report, a full report on the year's product shipments, appearing in the March issue; the Annual Consumer Survey in July, based on 2,000 consumer interviews, probing their buying plans and purchasing patterns; and the Supplier Directory & Product Guide in November, a comprehensive reference guide to all product categories and their sources.

## Merchandising

Your Source For Home/Auto Electronics

Merchandising  
Computers  
begins on  
page 29



## Fidelity Electronics' tournament helps draw attention to electronic chess at Bloomie's

By Stephanie Flory, associate editor

NEW YORK—A regional chess tournament offering students under age 19 a total of \$25,000 in college scholarships was recently co-sponsored by Bloomingdale's and Fidelity Electronics. The promotion helped boost electronic chess game sales, generating greater awareness of Fidelity Electronics models in particular.

The New York event, held this fall, was the last in a series of regional tournaments held in a number of U.S. cities, in Norway and in South Africa. Regional winners then traveled to New York for the international championship.

### Bloomie's takes New York

"Sales increases were satisfactory," when Bloomingdale's co-sponsored the New York edition of the Fidelity Electronics chess tournament, reported Warren Zorek, department manager, electronics. "We would consider co-sponsoring another such promotion with Fidelity Electronics."

"There were a lot of people coming into the store to register," Zorek added, although the tournament itself was held in the manufacturer's Fifth Avenue office.

Bloomingdale's merchandises electronic chess games in a 3,000-sq.-ft. electronics department in its Manhattan flagship store. In addition to Fidelity units, the store carries models by Milton Bradley.

Students who wished to play in the tournament could either register at Bloomingdale's or by mail. All in all, about 325 participated.

The event was promoted via a half-page ad in the New York Times. Some 600 letters also were mailed to guidance counselors in the city's five boroughs, seeking participation.

The event was not aimed just at chess whiz kids. For novice players, a pamphlet entitled Let's Play Chess was included in registration kits. "After all, you don't have to be a world master in order to have a little fun," commented Paul Petruzzi, regional marketing manager, Northeast territory, Fidelity Electronics. "We wanted everyone to participate and have a good time."

Round one contestants were assign-



**\$25,000 IN SCHOLARSHIPS** was awarded to needy students who are also chess buffs during a promo co-sponsored by Fidelity Electronics and Bloomingdale's.

ed starting times on a first-come, first-served basis. "Although we had received 180 registration cards, some 325 people showed up," Petruzzi said. "We had people who had traveled all the way from New Hampshire and Washington, DC! Some were as young as six, and had to stand on phone books in order to reach the chessboard."

Winners of round one in the New York competition were awarded Fidelity Electronics T-shirts. Round two finalists were given a Sensory Chess Challenger 9 (suggested retail price is \$195). More than 100 T-shirts were given out (although some, according to Petruzzi, went to reward younger players who did not win). Seventeen Challenger 9 games were given to the round two winners.

The following day, the winner of the New York event participated in the international tournament, also held in New York.

### Other tournaments held

The Bloomingdale's tournament had been preceded by similar regional events in Miami, Chicago, Dallas, South Africa and Norway.

In Miami, it was co-sponsored by Burdine's. In Texas, the Dallas Morning News helped pick up the tab, and the Chicago Sun Times participated in Illinois. In Africa and Norway, local distributors participated.

The cost of the promotions came to between \$35,000 and \$40,000 per region, according to Fidelity.

"The purpose of the promotions was humanitarian," asserted Petruzzi. "Since the federal government has

cut back on student loans, we wanted to help talented students."

"If we only picked up 30 to 50 additional customers per region, we were happy. The main purpose of the events was to create a greater awareness of our chess games, not just to increase sales," he said.

In fact, roughly 80 percent of the tournament's participants already owned a Fidelity chess game. Petruzzi noted, however, the majority are playing at fairly basic levels.

"Although most of the students owned upgradable systems, most had not purchased modules to upgrade the games," he said. And those who did own a module often ran into trouble at the higher skill levels.

Fidelity sells a \$79 cartridge that offers 5,000 to 6,000 book opening moves and also increases the machine's ability to decide the best moves. A \$120 cartridge offers 16,100 possible book opening moves and triples the repertoire of the game,

Petruzzi pointed out.

In general, he noted, chess games costing anywhere from \$60 to \$1,300 are selling well. "Everyone from blue collar workers to professors are playing. It's a game for all walks of life."

Although chess is popular in the United States, fans in other parts of the world are even more devoted. For example, Fidelity recently made a strong showing in the Third World Microcomputer Chess Championship held in Budapest, reported Al Damico, the company's public relations director.

"Chess games from around the world are set up to play against each other," he explained. "No human opponents are involved."

Fidelity's Elite A/S won the world champion entry and the Sensory Chess Challenger 9 received a prize for the best commercial model.

"In Europe, where chess is taken more seriously, people followed the results of the Budapest competition very closely," Damico said. "Daily listings of results were placed in department stores. And after the competition, we received \$450,000 to \$500,000 in orders from department stores in Germany alone."

## Phones are placed behind counters during Woodie's Harvest Sale

(Continued from page 24)

When *Merchandising* visited Woodie's this fall, the store had just kicked off the Harvest Sale, and Deagle was right: People could barely squeeze through the aisles.

"Phones are all placed behind the counters during the event," she explained. "Otherwise, we'd have pilferage problems because it's so crowded."

The store carries phones by ITT, GTE, Webcor, Comdial, Cobra Communications, Phone-Mate, Pathcom, Panasonic, U.S. Tron and Teleconcepts. Phone sales have jumped dramatically over the past year, Deagle noted.

"Cordless phones for \$99.99 to \$199.99 are in especially high demand. People are searching for such features as tone and paging capabilities. Washington is a large tone area because it's such a big computer market," she said.

To control return rates on cordless phones, the store only sells reputable brands. "Our return rate is about five

percent," Deagle said.

One-piece phones for \$9.99 to \$15.99 have also attracted attention at Woodie's. "We carry a limited selection of them, however," she added.

Answerers for \$79.99 to \$139.99 sell well, too. The store stocks models by Panasonic and Phone-Mate.

Although the firm does not sell phone accessories, this is a category which may be added soon, according to Deagle. She predicted that cordless, decorator and multiple-function phones would steal the limelight this Yuletide season.

Although phones are selling well at Woodie's, problems still crop up from time to time. "Making salespeople aware of features on new products before training sessions are held can be tough," Deagle said. "But customer service is a top priority at the store."

That includes qualifying each shopper to make sure he gets what he wants. "The customer must understand what he is buying before he takes it home," Deagle stressed.

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# Merchandising COMPUTERS

## TI out, PCjr in: Stores ponder pricing strategies

By Patricia Monahan, associate editor

NEW YORK—Texas Instruments made its exit through the home computer market's revolving door as the IBM PCjr walked in. And the news left retailers scratching their heads, wondering if they should reposition themselves in the more stable higher-end market, or whether they should stay in home computers at all.

### Stores to beef up sku's to reap 25-40 margins on software, peripherals

By Lee Rath, editor

NEW YORK—Those retailers who braved the turbulent home computer market expect to see a brighter picture thanks to growth in peripheral and software sales.

With margins for these add-ons running in the 25-40 percent range, retailers will realize much greater profits in the computer category in 1984, according to participants in *Merchandising's* latest Retail Opinion File.

We found that retailers already involved in the business project growth for 1984 and will beef up their commitments. But, at the same time, some dealers remain skeptical, and will idle in the "wait and see" mode for at least a bit longer before they start selling computers.

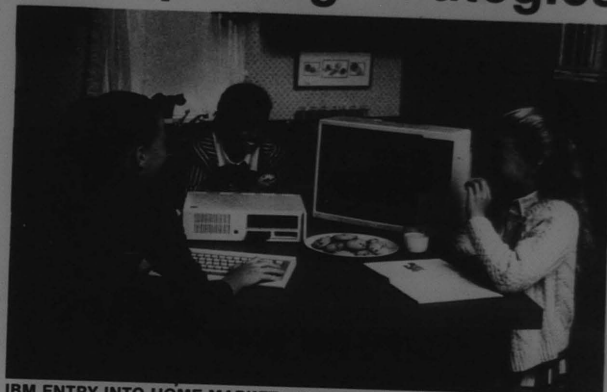
(Continued on page 32)

Surprisingly, though, the TI announcement hasn't created the havoc in the retail market that was originally predicted. Retailers interviewed by *Merchandising* reported brisk sales of the 99/4A's. Many said their outlook for the fourth quarter was bleak but the increased volume of TI sales could turn a profit in the home computer department for the first time.

In fact, several retailers were reordering the units in a rush to fill shelves left empty by computer-crazed consumers. One software distributor reported that a catalog showroom in New York had ordered an additional 6,000 units. "They're buying like there's never going to be another computer," commented one retailer. Dealers said they would carry the units until supplies ran out. Many expected to keep the software lines to take advantage of the installed base, which is expected to be more than two million.

A "wait and see" attitude has been adopted by retailers regarding the IBM PCjr. Some expressed an interest in carrying the computer, but questioned whether their stores were ready for the high-end market. Most seemed to agree that the consumers would not hold off buying computers for Christmas to wait for the PCjr.

The TI 99/4A's sold out at Hess' department stores, Allentown, PA, in less than a week, said Dennis Defrain, (Continued on page 41)



IBM ENTRY INTO HOME MARKET will bring some stability to the volatile category, said retailers. However, many are unsure about whether to pursue the high or low end of the business next year.

Industry analysts warn retailers:

### Emphasize add-ons, brace for Japanese-product invasion

By Patricia Monahan, associate editor

NEW YORK—Computer retailers should place their bets on peripherals and other add-on sales in the months ahead. Also, say industry forecasters, they should watch for a shift in software titles and be ready to take

advantage of the Japanese portable invasion.

This will put them in a better position to garner a bigger share of the home computer market—expected to total \$2.9 billion in 1984, according to Future Computing, Inc., Richardson, TX. The installed base will swell to 7.5 million units and software sales are expected to double.

Mass retailers also may be able to capture a share of the emerging middle market—which some say will include the Coleco Adam as well as the IBM PCjr and Apple IIe. Forecasters say that the success of the Adam will determine the success of the mass merchant in this area.

However, for the most part, the mass market will stay in the lower end of computers, which is predicted to expand at a slightly slower rate than the high end. "The low-end market was averaging about 40 to 50 percent growth, but I expect it will have a 30 percent growth in 1984," said Norm Weizer, senior analyst, Arthur Little & Co., (Continued on page 40)

## Atari banks on software, XL's to escape price point battlefield: Kingsborough

By Anthony Rutigliano, section ed.

SUNNYVALE, CA—Besieged by price competition and operating losses, Atari is banking on its new line of third-party software and long-awaited XL home computers to get it off the ropes.

With the exception of the 600 XL—which began shipping to 1,500 retailers at the end of October—the company's extensive new product offerings are meant to elevate it above the price point fray. Atari has abandoned completely the under-\$100 market and is positioning its new products to fill in the gaping price

point void between \$300 and \$900.

What's more, the company believes that its "feature-driven" advertising and promotion will help it get back into the good graces of retailers. Atari projects dealers will realize 20 to 28 percent profit margins on CPU's and 33 to 40 percent on software.

"Our new strategy is to sell consumers on what computers can do for them," said Atari Sales & Distribution Co. president Don Kingsborough. "We feel, up until now, consumers have had a lot of frustration. An engineer's definition of user (Continued on page 40)



FEATURE-DRIVEN advertising will help Atari's new line of XL computers stay out of the price war in home computers, said Atari Sales & Distribution Co. president Don Kingsborough.





APPLE IS WORKING on several enhancements for its primary revenue generator—the IIe, says Louis Miller, national sales manager.

## MERCHANDISING COMPUTERS

# Apple shuns price war but plans to expand base

By Anthony Rutigliano,  
special projects editor

CUPERTINO, CA—Despite its first-time presence at the Consumer Electronics Show (CES) next month and tough competition from IBM, Apple plans to remain aloof from the price wars that have beset manufacturers of home and low-price personal computers.

The seven-year-old company will set about expanding its base of about 3,300 dealers in 1984, but will not lower its standards, which have

effectively kept the product out of mass market channels.

"It's not our intention to become involved in a price bloodbath," said Apple's national sales manager Louis Miller. "We don't want our's to become commodity products."

During an exclusive interview with *Merchandising*, Miller noted, "The type of computers we offer require a certain amount of handholding to complete the sale. We don't feel that it's in our best interests to sell through dealers who do not offer

guidance and service."

Miller also said that the company was not yet ready to announce any new products. He did concede that Apple was working on several enhancements for its primary revenue generator—the IIe.

### Standards will be upheld

As evidenced by its entry into CES and new television advertising campaign, Apple is hoping to expand the number of units it sells for home use.

"There is, of course, a growing interest in microcomputers among consumers and we naturally would like to be sold where customers shop. We realize that many outlets, such as department stores, can be far less intimidating than computer specialty stores," said Miller.

"However, we have set up some criteria for dealers and we will not lower those standards," he added.

In selecting dealers, Apple looks at several things: the retailer's business plan; marketing processes and philosophy; square footage; in-store sales training, and sales forecasts.

"We feel that we give the dealers a lot for meeting these standards," said Miller, "such as floor-planning services and Apple Leasing."

The company feels that its product line and current retail distribution put it in a very good position to do battle in the higher-price home computer market.

"One of the nice things about the IIe," said Miller, "has been its broad appeal. Our philosophy is that a three-part home market exists: home office; education; and entertainment."

"We aim primarily at the consumer who is interested in buying a computer for home-office applications and secondarily at the education market. We will not position ourselves as a videogame machine," he said.

### Launches holiday promo

Also, to enhance consumer purchases, Apple has launched a holiday promotion with rebate certificates and premiums for more than 90 home and business-related products from Apple and 42 other hardware and software companies. The package has a total value of \$1,400.

Among the items included in the promotion are the Chalk Board Powerpad starter kit, KoalaPad Touch Table, educational software, games, business titles and productivity software.

"This is a sort of bundling concept," said Miller. "It gives consumers a choice of several titles, but does not take add-on sales away from our retailers."

### Improvements coming

While Miller refused to give any indication of product developments at the company, he did say that Apple is working on several enhancements for the IIe.

Reports in the industry indicate that Apple plans to bring some of the technological advancements in its high-ticket Lisa to the IIe. It is speculated that these will be ease-of-use features such as the "mouse" and the ability to call up several windows on a screen for different tasks.

## How Ryder Truck Rental and the American Express Card can get you through the twelve days of Christmas



Day One: One of your best customers orders one partridge in one pear tree, and your one delivery truck is a hundred stops away. Rent a Ryder parcel van, and use the American Express Card.



Day Eight: ... the dairy farmer next door (old guy; still has maids a-milking). The Ryder Trucks pay off again.



Day Two: The same guy orders another pear tree, with two turtle doves. Good thing you kept that Ryder Truck.



Day Nine: You need to deliver catering equipment for a big dance given by nine prominent ladies. You call out Ryder's 22' van. With the American Express Card, you're on the road in minutes.



Day Three: This is your week for birds. A pet shop needs you to deliver three French hens and...



Day Ten: Ten of your big customers are leaping up and down about emergency deliveries—you get the 18' van filled and hit the road.



Day Four: ... four colly birds (whatever they are). With the other deliveries popping up, you need a bigger truck. Try a Ryder 15' van. The American Express Card comes to the rescue again.



Day Eleven: Remember the dance? The band needs its equipment delivered. It's a big one (eleven pipers)! And you use the big truck again.



Day Five: A jewelry store needs five golden rings, and five new display cases. Ryder's 18' van holds it all. It's at dock height and easy to rent with the American Express Card.



Day Twelve: Call Ryder! The customer with the partridge in a pear tree needs another delivery (here we go again)! Thank goodness for Ryder and the American Express Card.



Day Six: A poultry farmer calls. He has geese to deliver. And hurry—they're a-laying! You keep the 18-footer and add a parcel van.



Day Seven: You did so well with the geese, the farmer has you deliver some swans, and gives your name to...



The American Express Card.  
Don't leave home without it.



See  
Computer Trendings  
page 12



## MERCHANDISING COMPUTERS

# Retailers nab \$370 million in school sales

By Lynne S. Dumas, contrib. ed.

NEW YORK—The growing push for "computer literacy" is generating an almost limitless new market for computer retailers.

As of last June, 291,000 microcomputers were functioning in U.S. public schools, and that number will reach 540,000 by next June, according to Illinois-based Talmis, Inc. market research.

Industry estimates peg computer retailers' share of school sales at about 50 percent right now. That means approximately \$370 million in retail sales during 1983 and that number should increase by 40 percent during each of the next five years, according to California-based Creative Services.

Bill Gattis, vice president of Radio Shack's educational division, said that the educational market has seen a very healthy upswing. "It's the fastest growing part of our computer business. Our educational sales have more than doubled every year for the past three years."

Retailers who have been vigorously courting the education market find that selling to schools produces high volume, solid spin-off sales and community good will. However, heavy discounting, slow payments and the demands placed on service and support staff make the cost of winning the market high.

Of the 291,000 microcomputers currently installed in schools, Talmis reports 149,000 are Apples, 58,000 are Radio Shack and various styles of Commodores and 12,000 are Ataris. Talmis president Jeanne Dietsch noted, "IBM does have a growing share and, once the PCjr is available, it will have an even bigger share."

### Make volume sales

Ken Racca, general manager of World of Computers, a Portchester, NY-based independent computer retailer, said, "The biggest benefit for us in getting into the educational market is the volume. When I deal with schools, I don't ask how many computers they want. I ask, 'How many dozens do you want?' Of course, I won't turn down orders of one or two, but orders can go up to 120 and many fall in the 60 to 70 range."

The World of Computers serves several school systems, Racca reported, including public schools in Yonkers, Byram Hills, Chappaqua, Rockland County and Montrose. Racca noted that he "aggressively attacked" the school market about one year ago and is pleased with results. While acknowledging that the school business is highly seasonal—orders are made primarily in September and April—about 80 percent of his business was in sales to schools during the third quarter of this year.

### Sales spin off

Marlene Teichert, manager of the education division of Prodigy Computer Centers in New Jersey, also stressed that volume is a major benefit of the education market. She contrasted selling to schools with selling to individuals. "You might sell a maximum of two computers to someone who walks in off the street, but we have sold 22 to 86 to school systems."

Additionally, said Teichert, "There



**THE SCHOOL MARKET WILL GENERATE approximately \$370 million in retail sales in 1983. That number should increase by 40 percent in 1984.**

tends to be increased interest in purchasing from people with whom you interact in schools—the teachers and parents who will then come in and make personal purchases."

Ken Deaton, president of independent Start Computing in Tacoma, WA, agreed. "One of the big benefits for us has been in spin-off sales from parents and friends who know that the computers used in their school systems were purchased at Start."

Deaton, who got into the educational market a year ago, sells Kaypro and Apple computers to 25 to 30 schools, including elementary and high schools, colleges and universities. He noted that selling to schools has given his store "some good PR."

Laurie Wood, corporate marketing representative for five-store Forsythe Computers in St. Louis, concurred. "The good will is important. It's nice that children are learning—and, of course, they and their parents are your potential customers. It doesn't hurt to make your stores part of the community."

### Educational pitfalls

However, on the downside, scholastic budgetary constraints often combine with retailers elbowing for market share to produce deep discounting within the school market. This, above all, was cited as the biggest pitfall for dealers.

Gerry Johnson, educational sales specialist at RAC Computers, San Jose, CA, explained, "The school district is bound by state codes. Its finances are tight. In fact, some have had to form independent foundations to try to raise funds for computers. And when a school goes out to bid, the purchasing agent in most states must accept the lowest responsible bid. And this may not be from the most professional company." Johnson said that this makes for deep discounting and "little loyalty."

RAC is currently working with more than 50 school districts which, in total, represent 400 educational facilities with enrollments of 100 or more students.

Prodigy's Teichert also pointed to discounting as a serious problem.

"Schools are always looking for the best price and that becomes very difficult sometimes."

Many retailers complain that schools are slow to pay their bills. Educational accounts may lag 60 to 90 days behind in their payments, sources said.

### Service demanded

School systems also tend to be among the most exacting clients. Said Teichert, "Schools are very demanding. I often have a list of 25 calls in front of me from schools that want to know why the lights on their computers don't go on or off. They need so much advice because many are jumping on the bandwagon and don't really know what to do."

Start Computing's Deaton noted, "Schools need a lot of support in terms of free instruction, demonstration classes and workshops for teachers. But if you have to put too much time in, it sometimes isn't profitable."

Because of this required support,

Deaton said that extra pressure is put on his staff. "You must have the manpower to service the schools," he said.

He estimated that a retailer may need one full-time person or several part-time staffers to handle educational accounts. Although sometimes Deaton can find some work/study students to help, and thus lessen the burdens on his staff, the demands are still there.

Teichert added that while a sufficient amount of manpower is necessary, it's not just extra bodies that are needed. Dealers "also must provide schools with people who understand the market. They must get someone who is capable of treading lightly, someone who understands education."

RAC's Johnson is a former performing arts teacher who left teaching once he "realized the boom in high technology." He firmly believes that sharp retailers will hire former teachers to deal with schools.

"The smart dealers are hiring former educators who can speak the language. Actually, the best retailers are more likely to be 'bi-lingual,' fluent in both education- and 'computerese.' Retailers who want to successfully mine the educational market," said Johnson, "must be committed to education."

Johnson also reported that repair turnaround time is critical in handling school accounts. "It's more of a critical situation if machines go down in a school than it might be in an office. You have to repair more quickly. If a school has four computers and one breaks down, you may have 35 kids backed up."

Another problem that may occur in retailing to schools is the purchase of incompatible software and hardware. While this may hurt the school more than the dealer, an unhappy customer never means good business.

Reported Laurie Wood at Forsythe, "Sometimes a school will buy a whole slew of computers and then discover that the software they want is not compatible."

While selling software takes a different kind of expertise from that required to sell hardware, some

(Continued on page 34)



**A GREAT DEAL OF SUPPORT** is needed in schools in terms of free instruction, demonstration classes and workshops for the teachers, say retailers selling the market.



## MERCHANDISING COMPUTERS

# Dealer poll finds retailers selling computers expect steady software volume during 1984

(Continued from page 29)

Among those reporting the most success are the discounters that responded to the survey. Sales are up considerably this year and should climb much higher in 1984.

What's more, these discounters are earning some respectable profits in the computer category, particularly on software.

The audio/video/electronics specialty stores also reported coming on strong and are planning to make an even more forceful push into the market next year. In terms of growth, these stores are among the most optimistic.

At the same time, those department stores polled are going to attempt to firm up an already strong position in computers by continuing to offer a broader selection of product than other types of retailers.

And finally, responding appliance/TV stores, the latest group to get into the market, plan to continue making a slow and steady entry, main-

taining profitability as they go.

The charts on this and the following page profile stores typical of those polled for this survey. They represent all but six operations out of a total of 214 respondents.

Overall, 29 percent of the retailers responding now sell computers, and another 16.4 percent plan to add them next year. Almost 60 percent indicated that they expect to be selling computers at some point in the near future.

### Mr. Popularity is...

Commodore turned out to be, by far, the most popular brand, accounting for 41.2 percent of the dealers' sales. It was followed by Atari with 19.1 percent, Texas Instruments (before its abrupt exit) with 8.5 percent and Apple with 5.3 percent.

When asked what brands they would like to add in 1984, the retailers named Coleco as their number one choice. Some 34.5 percent of the respondents said they'd like to sell the

Adam. Also popular were: the PCjr (24.1 percent would like to add it this year); and computers by Apple (17.2 percent); Atari (10.3 percent); and Commodore (also 10.3 percent).

### Discounters see a boom

Looking at the retailers category by category, responding discounting stores and catalog showrooms report doing very well in computers this year. But they expect to do even better in 1984. For example:

- Hardware sales, which shot up an average of 150 percent in 1983 are expected to explode by another 200 percent next year.

- Software sales are expected to double in 1984 while retailers as a group are looking for only a 54.7 percent increase.

- This will lead the discounters to boost software inventories by 48 percent, the largest projected increase in the industry.

- Sales of peripherals are expected to shoot up 75 percent in 1984, compared with an overall average increase of 55.8 percent.

And, surprisingly enough, indications are that the discounters are not sacrificing profitability to gain market share.

Although their gross profit margins on hardware average 13.3 percent, more than two points below the overall average, discounters are earning more than anyone else on software: 33 percent.

The same holds true in peripherals, where their gross profit margin is hitting 27.7 percent.

It also is encouraging to note that in the software arena not all the discounters' business is being done in games. To the contrary, they rely on entertainment titles for just 43.5 percent of their software sales.

Although discounters are one of the latest arrivals on the computer scene (60 percent have added the category only in the past two years), they are adopting some relatively innovative marketing tactics. For example, 80 percent of the discounters sell computers in packages that include peripherals and some software. This is

far more than any other type of computer retailer.

As for the discounters' most popular price point, it is, as is to be expected, the lowest in the industry. The stores report moving a whopping 42.5 percent of their hardware in the \$100 to \$199 area, where most others shine between \$200 and \$299.

In addition, the discounters still rely on the fourth quarter to produce half of their annual computer sales, the most of any of the retailer categories. And they are carrying fewer brands than other types of retailers: an average of 1.6 this year, compared with the overall average of 2.2.

### Electronics stores strong

Running a strong race in terms of growth in and commitment to computers are those audio/video/electronics specialty stores that were polled. They report, as a whole, doing well in software, very well in hardware and very very well in peripherals.

In peripherals, these stores are experiencing a 94.4 percent increase in volume this year, the largest in the industry. And they are expecting a 77.8 percent jump next year, also the largest.

Hardware volume is growing faster than the industry's as a whole, increasing by 87.5 percent this year, the second largest in the industry. And sales

## Retail Opinion File

are expected to pick up by 68 percent next year, once again, the second largest jump among all the stores polled.

As for software, the audio/video/electronics stores also are doing well compared with the other stores. As a group, they increased sales 84.4 percent this year and expect to see them grow by 59.4 percent next year.

However, it would appear that these stores are building market share at the expense of profitability.

In peripherals, for example, their gross profit margin averages out to 19.6 percent, the lowest in the industry. The hardware margin comes out at the bottom, too: at 13.2 percent.

## Department Store Chain

Number of units: 14

Selling computers since: 1980

Average selling space devoted to computers per store: 350 sq. ft.

Brands carried: Atari, Commodore, Texas Instruments

Would like to add in 1984: Epson, IBM

1983 computer volume (projected): \$1,350,000

1984 computer volume (predicted): \$1,427,500

1983 volume (projected) in: Hardware: \$1,000,000 (+10% from 1982)

Software: \$250,000 (+60%)

Peripherals: \$100,000 (+90%)

1984 volume (predicted) in: Hardware: \$1,300,000 (+30% from 1983)

Software: \$312,500 (+25%)

Peripherals: \$115,000 (+15%)

Gross profit margin on: Hardware: 12%

Software: 25%

Peripherals: 30%

Portion of computer sales done in: First quarter: 10%

Second quarter: 20%

Third quarter: 20%

Fourth quarter: 50%

Software volume breakdown: Entertainment: 35%

Education: 50%

Home management: 15%

How software is purchased: From publishers: 25%

From local distributors: 75%

## Discount Store Chain

Number of units: 35

Selling computers since: 1982

Average selling space devoted to computers per store: 800 sq. ft.

Brands carried: Atari, Commodore, Texas Instruments

1983 computer volume (projected): \$1,200,000

1983 volume (projected) in: Hardware: \$700,000 (+75% from 1982)

Software: \$300,000 (+40%)

Peripherals: \$200,000 (+80%)

Gross profit margin on: Hardware: 15%

Software: 30%

Peripherals: 28%

Portion of computer sales done in: First quarter: 10%

Second quarter: 10%

Third quarter: 20%

Fourth quarter: 60%

Portion of computer sales made in "packages": 10%

Software volume breakdown: Entertainment: 20%

Education: 60%

Home management: 15%

Business/other: 5%

How software is purchased: From publishers: 30%

From local distributors: 70%

## Computer Specialty Chain

Number of units: 7

Selling computers since: 1977

Average selling space devoted to computers per store: 2,000 sq. ft.

Brands carried: Apple, Compaq, Digital, IBM

1983 computer volume (projected): \$13,500,000

1983 volume (projected) in: Hardware: \$10,000,000 (+25% from 1982)

Software: \$6,000,000

Peripherals: \$3,000,000 (+200%)

1984 volume (predicted) in: Hardware: \$25,000,000 (+150% from 1983)

Software: \$6,000,000

Peripherals: \$6,000,000 (+100%)

Gross profit margin on: Hardware: 28%

Software: 40%

Peripherals: 25%

Portion of computer sales done in: First quarter: 20%

Second quarter: 20%

Third quarter: 20%

Fourth quarter: 40%

Portion of computer sales made in "packages": 10%

Software volume breakdown: Entertainment: 5%

Education: 10%

Home management: 10%

Business/other: 75%

How software is purchased: From publishers: 75%

From national distributors: 25%



**SOFTWARE SALES INCREASED** an average of 84.4 percent this year at those audio/video/electronics specialty stores polled. An additional increase of 59.4 percent is projected for next year. The gross profit margin on software averages 28.6 percent.

Only the software margin is almost in line with the overall average of 28.6 percent.

Still, these retailers are committed. The audio/video/electronics stores devote an average of 383.5 sq. ft. to the category, the second largest in the industry, and expect to increase the number of hardware brands they carry from an average of 2.7 this year to 3.0 next year, again, the second largest. Not bad for a group of retailers that is quite new to computers. More than half entered the market only last year.

#### Department stores profit

Looking for substantial growth in the computer category is the department store. Those responding to the survey are planning to make a significantly stronger commitment in 1984.

For example, the average department store will carry 3.1 brands of computer hardware next year, up from 2.4 in 1983, giving it the largest selection in the survey.

This may be because hardware is where the department stores are finding they can profit. Gross margins are hitting 16.9 percent, the second highest in the industry, where 15.7 percent is the overall average.

In software, they are expecting to increase sales 58 percent next year, slightly above the overall average of 54.7 percent, making them among the most optimistic of all the types of dealers polled.

However, the gross profit margin on

software is just 29.3 percent at the average department store, only slightly above the overall average of 28.6 percent. Perhaps as a result, the department stores are planning to increase their software inventories only 19 percent next year, the lowest projected increase in the industry, well below the overall average of 33.4 percent.

And department stores are still surprisingly dependent on entertainment software. It generates 53 percent of their volume in the category, more than at any other type of store. Also doing well are educational titles, although only a fair job is being done in home management, and business software ranks the lowest of all stores in the survey.

Next year should be only a fair one for peripherals in department stores. They are projecting a sales increase of 23.8 percent, compared with the overall average of 55.8 percent. Still, the stores find peripherals, like hardware, to be very profitable, producing almost the highest gross profit margin in the industry: 27.6 percent.

The most popular peripheral at the department store level is the cassette player, which ties in with the relatively low-end products most of the units seem to be moving en masse. Some 76 percent of the stores' hardware sales are now in units costing \$300 or less.

#### Appliance/TV stores join in

The newest members of the computer retailing fraternity contacted by

the poll are appliance/TV stores, which are slowly but surely coming into the market.

More than three-quarters of those polled that are in the business reported they had entered in the past 24 months. And the average store dedicates 246.4 sq. ft. to computers, producing the smallest departments of the survey.

While these retailers are expecting to expand in computers, they are not planning on moving any too quickly. In hardware, for instance, volume increased 39.2 percent this year and is expected to jump another 46 percent in 1984, well below the national average.

Software sales increased 40.1 percent this year and are projected to jump 41.2 percent next year, the smallest in the industry. And peripherals sales climbed 64.4 percent this year and are expected to climb 43.9 percent next year, also comparatively small.

However, in some cases, the appliance/TV retailers are making up in profitability what they lack in volume.



The gross profit margin on hardware is the highest in the industry: 17.3 percent. The peripherals margin also is high, 26.1 percent, compared with the national average of 23.7 percent.

Only in software do appliance/TV retailers fall short, reporting in with a gross profit margin of 27.3 percent, the lowest in the survey.

Nevertheless, these dealers do not appear frustrated. Next year, they plan to boost software inventories by 40.4 percent, the second largest increase of all the dealers polled.

**STATISTICAL MATTER** for this survey was compiled by Selma Book, market research manager, and Matea Esguerra, research associate.

## Consumer Electronics Store

Number of units: 2

Selling computers since: 1979

Average selling space devoted to computers per store: 1,000 sq. ft.  
Brands carried: Atari, Commodore, Texas Instruments, Timex/Sinclair

Would like to add in 1984: Franklin, IBM

1983 computer volume (projected): \$355,000

1984 computer volume (predicted): \$405,000

1983 volume (projected) in: Hardware: \$250,000 (+20% from 1982)

Software: \$80,000 (+20%)

Peripherals: \$25,000 (+10%)

1984 volume (predicted) in: Hardware: \$275,000 (+10% from 1983)

Software: \$100,000 (+25%)

Peripherals: \$30,000 (+20%)

Gross profit margin on: Hardware: 15%

Software: 30%

Peripherals: 30%

Portion of computer sales done in: First quarter: 25%

Second quarter: 10%

Third quarter: 15%

Fourth quarter: 50%

Portion of computer sales made in "packages": 40%

Software volume breakdown: Entertainment: 70%

Education: 20%

Home management: 5%

Business/other: 5%

How software is purchased: From publishers: 10%

From local distributors: 20%

From national distributors: 70%

## Radio/TV/Personal Electronics Store

Selling computers since: 1982

Selling space devoted to computers: 300 sq. ft.

Brands carried: Commodore

1983 computer volume (projected): \$35,000

1984 computer volume (predicted): \$43,000

1983 volume (projected) in: Hardware: \$25,000 (+25% from 1982)

Software: \$5,000 (+50%)

Peripherals: \$5,000 (+90%)

1984 volume (predicted) in: Hardware: \$31,250 (+25% from 1983)

Software: \$5,000 (no change)

Peripherals: \$6,750 (+35%)

Gross profit margin on: Hardware: 10%

Software: 25%

Peripherals: 20%

Portion of computer sales done in: First quarter: 15%

Second quarter: 10%

Third quarter: 15%

Fourth quarter: 60%

Portion of computer sales made in "packages": 0%

Software volume breakdown: Entertainment: 40%

Education: 20%

Home management: 10%

Business/other: 30%

How software is purchased: From local distributors: 100%

## Radio/TV store

Selling computers since: 1983

Selling space devoted to computers: 25 sq. ft.

Brands carried: Commodore

1983 computer volume (projected): \$5,000

1984 computer volume (predicted): \$6,500

1983 volume (projected) in: Hardware: \$2,500

Software: \$1,500

Peripherals: \$1,000

1984 volume (predicted) in: Hardware: \$3,250 (+30% from 1983)

Software: \$1,950 (+30%)

Peripherals: \$1,300 (+30%)

Gross profit margin on: Hardware: 15%

Software: 40%

Peripherals: 40%

Portion of computer sales made in "packages": 65%

Software volume breakdown: Entertainment: 40%

Education: 20%

Home management: 20%

Business/other: 20%

How software is purchased: From local distributors: 100%



# Mystery shopper searches in vain for computer merchandise support

By Carmine Angioli, contrib. ed.

LONG ISLAND—For most adults, shopping for a computer can be an intimidating experience. And, as *Merchandising's* mystery shopper learned on a recent visit to seven stores here, few retailers are equipped to make a shopper feel comfortable or to promote the purchase of a system that can meet his needs.

In all but two stores visited, most—and in many cases all—of the following effective sales tools were missing:

- Hands-on demonstrations;
- Displays of computer products in practical work settings;
- Sales personnel familiar with all computer products carried;
- Brochures and other literature.

What's more, in most instances lackadaisical sales staffs did little or nothing to ease the shopper's fears about entering the strange new world of a computer department.

The mystery shopper posed as someone interested in spending about \$2,000 for a system that could handle word processing and financial management and provide educational features for a high school-age brother. Like most shoppers, he was concerned not only with features and benefits, but also with return policies and support systems.

## Demonstrations are effective

By far the most professional and convincing sales presentation was made by a salesman at a computer specialty store. After listening carefully to the shopper's needs, the salesman described some of the computers in stock and said, "For your purposes and with your budget, the best thing for you would be an Apple IIe."

The salesman invited the shopper to sit down at one of several workstations lining the walls of the store. He explained how the basic Apple IIe computer system worked and then set up a computer with instructional programs.

The salesman allowed the shopper to work on the IIe for an hour so he could complete the programs and feel the ease with which the computer could be mastered.

The salesman then described the store's post-sale support services: on-site repair technicians; an optional service contract; user training sessions, and an open-door policy allowing customers to come in with questions and problems.

The store's wide array of software was displayed on the front wall; computer literature and magazines were in a rack near the workstations. And, to ease the consumer's entrance into the store, promotional brochures were in racks by the door.

After showing the shopper these services and extras, the salesman demonstrated the ease with which peripherals could be added to the machine.

Despite his good technique, how-

ever, the salesman made no move to close the sale. He did outline everything the shopper would need and ruled out unnecessary extras. He also handed the shopper a newspaper ad outlining the store's sales packages.

But the pitch was far from perfect. The salesman's biggest gaffe: He did not show the shopper any letter-quality printers, despite the fact he was interested primarily in word processing.

## Keep customers involved

Moving on to the next store, the shopper also encountered attentive sales help at a well known electronics chain. While a limited number of workstations did not allow for hands-on demonstrations, the salesman took the time to run the shopper through a word processing system.

The salesman kept the shopper involved in the demonstration by using his name in the program and allowing him to take part in the less confusing parts of the demonstration. However, his sales pitch also was low-key and he did not push at all for a close.

These two sales presentations were about the best—by far—that the mystery shopper encountered. From

here, it was downhill all the way.

Upon entering a franchise computer operation, he was ignored for nearly 15 minutes before a woman—not in sales—asked if she could help. The shopper described what he was looking for to the obviously uninterested woman and she said she'd get someone else to help. When a salesman finally appeared, the shopper had to retell his story.

The salesman made suggestions about what the shopper should purchase. But he did not seem to have the time to help him, nor did he have the recommended unit set up for demos.

It seemed impossible to the mystery shopper that he was a customer prepared to plunk down \$2,000 and the salesman was rushing to get rid of him as though the order was a small fries to go.

Incredibly, the shopper visited other stores where the treatment received made this franchise store look good.

Service and sales help were well below acceptable standards at a department store, a consumer electronics specialist and a mass merchant.

At the department store, for example, the shopper stood unattend-

ed for 20 minutes before leaving. That store's selection consisted of Atari and Texas Instruments models. The computers were on display in a glass case and not hooked up to monitors for demos. No peripherals were displayed. In addition, there was no sales help visible on the floor.

The merchandise displays at the other stores also were below average. At the electronics store, the computer keyboards were placed side by side on a long bar. None of them were connected to monitors, and peripherals were nowhere in sight.

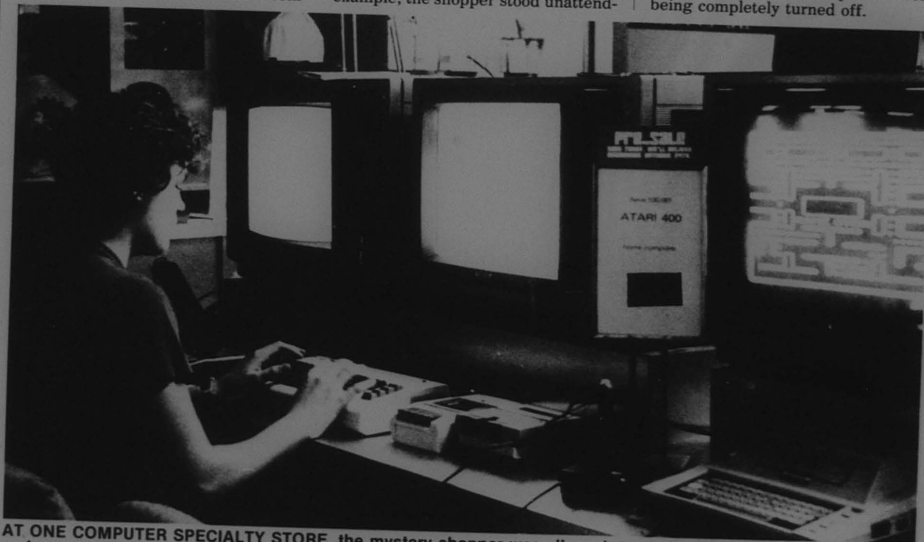
The mass merchant had a full line of computers and peripherals, but none were hooked up for demos.

In addition, the shopper was completely ignored at all of these stores a full 15 minutes before he gave up and left.

## 'I don't know' is turnoff

Another frustrating experience for the shopper took place at the electronics chain outlet across from the mass merchant. The shopper was stymied by two younger salespeople who were attentive, but said they did not know enough about the computers to be of any help. They were courteous, offered a catalog and asked the shopper to return when the computer salesman was there.

It seemed to the mystery shopper that they should have had at least some knowledge of the merchandise, at least enough to keep him from being completely turned off.



AT ONE COMPUTER SPECIALTY STORE, the mystery shopper was allowed to work on a personal computer for an hour so he could complete the programs and feel the ease with which the computer could be mastered. A salesman also demonstrated the machine's peripherals.

## Let educators preview software programs

(Continued from page 31)

retailers believe that hardware sales success may indeed hinge on software availability. Radio Shack's Gattis takes a hard line on this issue. "If you just sell hardware, you don't have a product for schools," he said. "You must have credible instructional software to go with your hardware lines." Radio Shack has 100 classroom software packages available and is currently developing 125 more, Gattis reported.

According to Dr. Harold Kinne, senior vice president at Future Computing, educational software sales for the home computer reached

\$115 million in 1983 and will total \$1 billion by 1988. Educational software for personal computers, which is probably a more significant figure when considering schools, totalled \$52 million in 1983 and should reach about \$283 million by 1988. Translated to unit sales, 1983 personal computer software registered 1.3 million in 1983 and will reach 7.35 million by 1988.

Jim Brown, department head of North Carolina-based Carolina Biological, an educational software retailer, said that program review may be another problem. Educators need to review programs firsthand

before they can make an informed decision to buy. However, letting them view programs before purchasing runs an inherent risk for the retailer that programs will be copied, he warned.

Said Brown, "We offer satisfaction guaranteed and we trust the teachers not to copy material. If they do, we'll just have to get out of the market."

Prodigy Computers has solved that problem by installing software preview centers on-site in two of its four outlets. Teachers are welcome to come to centers and preview software programs before making the decision to buy.

See  
new releases  
page 43



## Flood of game titles to continue as vendors broaden lines

By Anthony Rutigliano,  
special projects editor

SILICON VALLEY, CA—Retailers can expect the flood of entertainment software introductions to continue through at least the first half of 1984.

While many publishers anticipate greater popularity of education and home management, they feel hot game titles are needed to bolster brand recognition. The vendors now are developing new entertainment titles which will provide a "bridge" to make users comfortable with other categories such as pure strategy, learning and personal productivity.

The suppliers say that the appearance of more non-game and strategy software will help stem the rising problem of returns. Productivity software will undoubtedly have a longer shelf life than games, they say, and most probably will not be as subject to price point pressures.

Right now, publishers also are faced with one of the big problems besetting retailers: deciding which will be the best-selling machines next year. They predict continued strength for the Commodore 64 and a dramatic drop in sales for the VIC 20 hardware and software.

Shipping delays on the Atari XL line and Coleco Adam left the vendors

uncertain about the future of those products. Yet all vendors were very high on the IBM PCjr.

### Games will remain most visible

The true sales picture at Sunnyvale-based Creative Software is belied by its advertising, which is heavily skewed toward entertainment titles.

"If games don't remain the dollar leader, they will remain the most visible category," said director of marketing Elliott Dahan. "We have to lead with games. And even though less than half of our sales are in games, we'd be in trouble without them."

At the same time, Dahan says the company also is trying to convince consumers that they've purchased "a computer, not a game machine."

As a result, Creative is developing educational software and plans to add to its line of home management titles.

"But," said Dahan, "we think there are three parts of the education market: 1) 'Courseware,' which is geared specifically to something like computer literacy. We've developed two such programs called I Am The 64; 2) Drill & Practice titles such as Hangman, and 3) Concept Education, in which you take a concept and make it into a game."



'CREATIVE EDUCATION' TITLES will make up a substantial part of new introductions from Creative Software, said director of marketing Elliott Dahan. In *The Chips* is designed to teach kids how to run businesses.

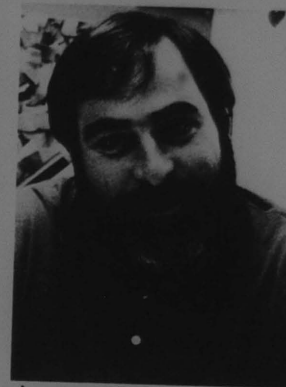
In line with the latter category, the company offers Pipes, an educational game that has the user buy and install pipes for a city water system, and In The Chips, which teaches kids the basics of running a business.

"These are games, but we are classifying them as educational titles," said Dahan. "I think you will be seeing many more titles that don't emphasize manual dexterity as much as thinking and strategy."

Broderbund, San Rafael, CA, "will continue with entertainment for its new introductions in 1984," said director of marketing Cathy Carlston. However, she notes that next year's intros will have "greater sophistication and will be more geared to user involvement."

As an example, she points to the already top selling Lode Runner which has 150 different playing screens and has a game generator allowing users to design three to five minutes of their own game.

"I think that kind of sophistication is a trend. We want to give the user a lot more for the dollar," she said.

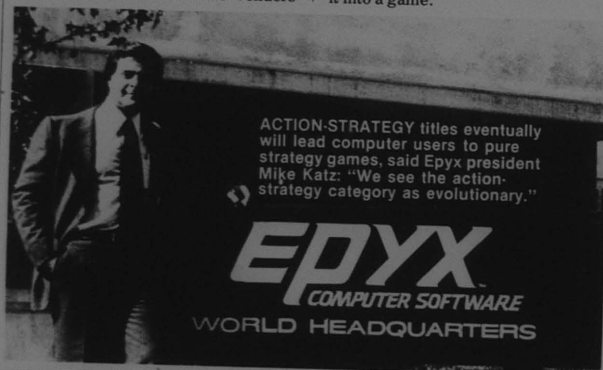


In line with that philosophy, the company also is introducing Spare Change and Drol, which allow the user to control several game variables such as the character traits of opponents and speed and manner in which they react.

"For instance," said Carlston, "in Spare Change the amount of greed, anger and clumsiness in the Zeke opponents can be programmed and they react to various situations accordingly. Both of these games have real story lines and reward the user with various cartoons. They are almost like silent movies."

The company's bridge to educational software will be made in the latter part of 1984, said Carlston. "We've contracted with Hensen Associates to come out with titles featuring the Muppets. Titles will fall in the computer literacy category."

"We feel that software manufacturers have the real burden of accelerating the home computer industry," she said. "A lot of computer purchasers feel they have been tricked. Our challenge is to



## Complex games, education, productivity will bolster '84 prices: publishers

SILICON VALLEY, CA—Growing diversity in computer software will help preserve the category's price points—and profitability.

That's the optimistic view of several leading software manufacturers who insist that they will not be lowering prices despite increasing competition.

Consider the following:

- Atari, no stranger to price wars, projects its AtariSoft third-party arcade computer cartridges will retail for \$49.95; Coleco and Intellivision cartridges, for \$40.95, and discs for \$34.95;

- The flood of education and home-management titles to be seen early next year will carry much higher price points than most games and, according to vendors, will have a longer shelf life;

- Commodore's de-emphasis of the VIC 20 and the appearance of the Coleco Adam, IBM PCjr and Atari XL line will once again bring well-heeled consumers into the home computer market, say software vendors.

"We are very, very encouraged by the success of Bank Street Writer," said Broderbund director of marketing Cathy Carlston. "Despite a

ticket of \$69.95, the disk program has been outselling most of our games. The games have prices of from \$35 to \$45 for cartridge versions and \$30 to \$35 for disks."

As a result of that success, the company also will introduce Bank Street Speller and, possibly, Bank Street Filer in 1984.

"We feel this part of the home market will have tremendous growth," said Carlston. "But we must seriously examine what really is a home product. We can't insult the intelligence of the user with scaled-down office programs."

Carlston also asserts that Broderbund will "maintain premium prices for its software titles. We will not become involved in any kind of price wars. We inventory carefully and think that if retailers make more frequent, smaller orders, they also should be able to maintain profitability in the category."

T&F software says that home applications software is its fastest growing category. "Now, 65 percent of the units sold by the company are home application," said part-owner Tracy Talcove. "The remaining 35 percent are in games. A year from now, home applications will have 75 percent

of our company's sales."

Next month, T&F will introduce a data base program for the Commodore 64 with a retail ticket of about \$100.

"We try to synchronize software prices with what the machines are selling for," said Talcove. "For example, home management titles for the 64 will generally retail for \$35 to \$65, depending on their complexity. And those prices will hold."

"Consumers laying out \$199 or more for a computer are going to want to do some good stuff on it," said Creative Software director of marketing Elliott Dahan.

"We will be coming out with a word processing package next year that will retail for about \$50," he said. "It will sell."

"In games, you will see two basic price points—one for the hot, new titles and another for those that have gone cold. On the new titles, I think that retailers always will be able to make full markup. Cold titles will have to be reduced to \$19.95 or \$29.95," he added.

Dahan notes that new games for the VIC 20 will carry prices of \$29.95 and those for the 64, \$39.95.

At Epyx, prices for both cartridge

and disk programs will range between \$29.95 and \$39.95, and, said president Mike Katz, will remain.

"I think good products will maintain good prices, although we feel that certain categories are more price sensitive, such as action-strategy. However, users of pure strategy games are willing to pay full price for them. And I don't think that you will see any erosion of prices for educational software," he said.

"Education is somewhat immune from discounting," said Leslie Czechowicz, vice president/development at Designware. "These products will have a long shelf life, just like classic books that never have price reductions."

"The only thing in the category that could cause obsolescence is graphics," she said. "The quality of resolution is improving so rapidly that it's difficult to keep up. This could shorten the shelf life of a product."

Most of the manufacturers noted that more and more of their titles would begin appearing on disk, particularly as more drives become available for the 64. Designware produces on disk only and Epyx notes that 45 percent of its sales already are on disk.

## MERCHANDISING COMPUTERS

validate and educate."

At Sunnyvale-based Epyx, plans are to stick with action and strategy games, categories in which the company has had great success. The company also will come out with several titles that aim at interesting more computer users in the strategy category.

"For the January Consumer Electronics Show," said president Mike Katz, "we have introductions in four categories: pure strategy; action-strategy; learning fun, and arcade classics."

"We see the action-strategy category as evolutionary. It eventually will lead users to pure strategy games. They will, at points in the game, have to make choices which will affect the balance of the game play," he said.

As an example, Katz points to Pit-Stop which requires players to go into the pit during a race. They can choose to change all tires or only some and have gas tanks filled a certain amount. The amount of time spent in the pit affects results.

"Action game players are getting bored," said Katz. "They want titles that will give them months or even years of interesting play. We think action-strategy is the bridge. This kind of game will be the largest part of our volume in 1984, but in 1985 we think that 50 percent of all games will be pure strategy, such as our successful Temple of Apshi."

The Learning Fun line from Epyx also can be considered games.

"We will be adding one or two products in this line, next year," said Katz. "We have to make sure that these products are fun. That's the only way a child will sit down at a computer to learn after being in school for seven hours."

Designware also has concentrated on building action elements into its line of educational titles. The games are designed to make rote tasks, such as spelling and times-table memorization, fun. An action spelling game called Spellicopter and three-dimensional word game called Crypto Cube have been the best sellers in the company's line of seven games.

"We want to have a total of 24 programs," said Leslie Czechowicz, vice president/development at the

San Francisco firm.

"We're trying to develop good science, typing and math programs and educational family games. More fun will be built into games aimed at elementary school kids, while programs for high-schoolers will be more conceptual," she said.

"Right now, Future Computing says that 21.5 percent of units sold are in educational software," Czechowicz noted. "We think the category will grow incredibly because so many computers are being purchased only for children's use."

"With the easy to use peripherals that are coming out, this market is opening up even more for kids," she said. "And I think we will see classics in educational programs the way we see them in games now."



**TWENTY-FOUR EDUCATIONAL TITLES** is the target of Designware, says vice president of development Leslie Czechowicz. The screen shows part of Creature Creator, a title geared to young children.

## Bank Street WRITER



**TREMENDOUS SUCCESS** of the \$69.95 Bank Street Writer is encouraging Broderbund to come out with more productivity titles, says director of marketing Cathy Carlston. However, the company's main focus will continue to be entertainment.



### COMMODORE 64 OWNERS BATTLE TO SAVE NEW YORK!

This is New York's darkest day. A monstrous droning noise fills the air. Hordes of grotesque aliens are attacking the Big Apple by air, as others lay eggs in the underground subway systems. Horrible slimy things that hatch and claw their way up from below. Can anyone Save New York?

Commodore 64 owners will hear this impassioned plea for help via an aggressive national advertising and promotional push. Stay tuned for details.

Thanks to all of you,  
initial orders for  
Save New York!  
have broken all  
our previous  
records!

# CREATIVE SOFTWARE

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## MERCHANDISING COMPUTERS

### Boost your staff's software selling savvy with comparison charts and 'go-alongs'

By Patricia Monahan, associate editor

CULVER CITY, CA—You can boost software profits by making life easier for your salespeople. Arm them with comparison charts. Stick to one software product family. And stock shelves with "go-alongs" to increase add-on sales.

This takes pressure off salespeople to act as walking software encyclopedias and lets them concentrate on what they do best—selling.

Salespeople usually are working without a home field advantage, distributors recently told *Merchandising*. Many are making the switch from hifi and video departments to the unfamiliar turf of computers. "In hifi, if you know one turntable, you know them all, but in software, all accounting packages are different," explained Bob Schumate, vice president, sales, Softeam, Culver City, CA.

To ease the transition and improve selling savvy, distributors also advise retailers to:

- Promote high-margin items for add-on sales.
- Use merchandise aids as education tools.
- Take advantage of vendor-dealer information programs.

#### Use comparison charts

"Comparison charts used as training aids for retailers can be used as selling tools for customers," said Steve Lewis, Softeam's sales training manager. One type of comparison chart illustrates products in five different software categories. "If a customer wants an accounting package, the salesperson can go over the chart with him. The customer can see for himself the benefits and the features of the different types of packages available."

The comparison technique also can be worked into a sales pitch. "Position titles against their main competition, for example, WordStar versus AppleWriter," said Lewis. "Give advantages of each package."

Retailers also can help their salespeople cut through the clutter by sticking to one family line of software, added Lewis. "You can sell WordStar along with SpellStar and Mail-Merge."

By sticking to one family line of software, salespeople can concentrate on "go-alongs" to increase add-on sales. Said Lewis, "The Fox line and Quick Code, among others, are natural go-alongs for the dbase II software package." He added that one database title can have three or four go-alongs. "We advise our dealers to carry the software with the most go-alongs."

Software go-alongs also take the form of computer peripherals. "A person buying VisiCalc—just by the nature of the software—is a likely candidate for a mouse peripheral. Make a mouse a part of the sale," suggested Bob Leff, president of Softsell, Inglewood, CA.

Distributors reminded dealers to stick to high-margin items for add-on sales. And this generally includes additional software. "But don't try to sell the customer 10 games. You'll turn him off," warned Jordon Levy, marketing director, Software Distribution Services, Buffalo, NY.

Instead, sell software by categories, such as education, home management, entertainment, etc. "Sell the customer four to six pieces of software so there is something for everyone. Then add on diskettes and other items," he said.

Other add-ons that offer high margins include blank diskettes, flip 'n' file diskette and cartridge boxes, surge suppressors and joysticks, he added.

Distributors also warned retailers that they must cut down support time

to increase sales. Emphasized Bill Brail, Micro D distributors, Fountain Valley, CA, "The mass merchant will only be successful in the software market when he doesn't have to educate the consumer."

#### Offer software training kit

Retailers can cut down this support time as well as create an add-on sale with a software training kit from American Testing International. "The kit teaches users about software and how to use it," said Softeam's Schu-

mate. Information is included on WordStar, SuperCalc, dbase II and Lotus 1, 2, 3. "Not only can the kit be sold to consumers to decrease retailer support time, it also can be used by dealers as part of a training program for their sales force."

Another way to cut down teaching time is to use merchandise aids as education tools. Explained Ron Schreiber, president, Software Distribution Services, "One display includes laminated front and back covers of software titles in binder form. The customer can flip through the titles and read the benefits and features of each package. The display also highlights the best sellers and keeps tabs on the software titles that are up and coming."

Here's one way we specialize...

# 330+ branch

With more than 330 branch offices in the world, Borg-Warner Acceptance Corporation demonstrates its commitment to local service in every market we serve.

In the United States, our network of more than 260 branch offices provides a spectrum of financial services that range from

inventory financing to commercial leasing to insurance premium financing.

Every BWAC branch office is operated as a profit center by a trained, experienced BWAC Branch Manager who has responsibility for





## MERCHANDISING COMPUTERS

Backup for the display is a planogram with a 60- to 90-day rotation of products. Twenty software titles are added at the top and 20 are deleted from the bottom at the end of each rotation period. "Software titles are kept fresh and up to date," he said.

Armed with a streamlined sales pitch and support materials, the computer turf will seem more familiar. But, warned Micro D's Brail, dealers can't create sales in the traditional way. "They have to sell the product—not just merchandise it."

A real customer, not a looker, will have a real need, said Levy. "For example, they may say 'I want to make my life easier at home or at work.' You have to look at the various



**SELL SOFTWARE BY CATEGORIES**, advises Jordon Levy, marketing director, Software Distribution Services, Buffalo, NY (right). A way to do this, says president Ron Schreiber (left), is to use a merchandise aid that lets consumers see the software grouped according to titles.

applications and see what will fit that niche," he added.

### Understand customer's problems

One of the errors salespeople tend to make is not understanding problems customers are trying to solve, said Softsell's Leff. "The customer differs by the type of application he is looking for. You can tell by talking with the customer whether or not he's the right person for a particular piece of software. If a person wants something for Christmas card list, he wouldn't be a candidate for dbase II, but perhaps for a personal file management program."

"By spending time speaking with the customers, salespeople are more likely to get the right product into the right hands," added Leff. "And this is how a dealer can create add-on sales as well as gain long-term customers," he said.



**RETAILERS CAN HELP** their salespeople cut through the software clutter by sticking to one family line of software, says Steve Lewis, sales training manager, Softeam. He adds that this will let salespeople concentrate on "go-alongs" to increase add-on sales.

### Romox, Inc. initiates area market test

CAMBELL, CA—Romox, Inc. has kicked off a market test in Contra Costa County, CA, for its electronic distribution of videogames. The company recently signed an agreement with seven retail outlets and 10 software publishers.

Romox's 20 in-store terminals currently carry 117 videogames and home computer software titles from firms that include Epyx, Mattel, Fox Video and Funware. More than 30 titles are added to the terminals each month.

Participating retail chains include Southland Corp. (7-Eleven stores), K-Mart, Longs Drugs, Tower Records, Warehouse Records, The Video Company and Software Emporium. Each of these chains is represented in the market area.

After an initial purchase of reusable cartridge, shoppers in the market test area can buy videogames and return them later to reprogram their cartridges with other programs. Suggested retail prices range from \$7.95 to \$19.95. Blank cartridges are priced at \$15 to \$25, depending on memory capacity.

Romox is promoting the videogame game centers with in-store demos, a free blank cartridge with the purchase of a game, coupons, free co-op advertising, and a local direct-mail promotion.

The initial market test will be complete in March 1984. A national rollout of the distribution system is planned for January.

# h offices.

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## MERCHANDISING COMPUTERS

### Atari aims to improve retailer relationship with its 600 XL and 800 XL computer lines

(Continued from page 29)

friendly is not the same as a consumer's."

In an exclusive interview with *Merchandising*, Kingsborough also noted videogames were still a strong part of Atari's line. Studies by the company show a total of more than six million dedicated game units will be sold in the U.S. during 1983 and that Atari has recaptured a significant part of this market.

#### Atarisoft is launched

Several computer industry insiders expect Atarisoft—a line of third-party software that, right now, consists of 12 hit arcade titles—to be the flagship product category for the company.

While Kingsborough talked with equal enthusiasm about the company's new hardware lines, he stated with the utmost confidence, "We will move a few million units of the Atarisoft products."

The company's initial launch offers Pac-Man, Donkey Kong, Centipede Dig-Dug, Defender, Robotron:2084 and Stargate for the Commodore 64, VIC 20, Texas Instruments 99/4A, Apple II and IBM PC. Atarisoft also features Defender, Centipede, Pac-Man and Galaxian for Intellivision and ColecoVision.

Kingsborough also notes the company is not limiting Atarisoft to entertainment. The company also will be introducing educational, home management and personal development software in 1984.

Atari's software introductions for its own CPU's and the Atarisoft line eventually will be in the following proportions: 40 percent entertainment; 20 percent educational; 20 percent home application; 10 percent personal improvement, and 10 percent miscellaneous.

#### XL's finally ship

Atari delayed shipping of its XL line "until significant quantities became available," said Kingsborough. Its 600 XL was shipped to about 1,500 retailers at the end of October.

With 16K memory, the 600 XL is positioned against the VIC 20 and the TI 99/4A, but will sell at a higher \$150 to \$200. The 800 XL began shipping last month. Priced from \$299 to \$349 at retail, it is positioned against the Commodore 64 and the Radio Shack Color Computer.

The company thinks that the availability of software, along with greater color and sound capabilities, will help these machines compete effectively. Atari will introduce more than 1,000 programs for the 600 and more than 2,250 for the 800. Both machines offer 256 colors, four sound voices, a help key which will provide users with program information, eight programming languages and a CP/M option.

While these two units are competing against well-established products, the 1400 XL and 1450 XLD are designed to fill in more apparent "price point voids" in the home computer category, said Kingsborough.

Set to ship in the first quarter of 1984, the machines will offer built-in modems, speech synthesizers, 64K RAM and the availability of more than 2,250 programs. In addition, the 1450, set to retail for \$800 to \$900, will offer a built-in disk drive.

"We think that speech synthesis will be an important ingredient to user-friendliness," said Kingsborough. "And we will be bringing out software programs early next year that take advantage of this."

"We also feel some consumers need a more modular approach to computers. Many are not comfortable with the keyboard, so we will offer other types of interfaces that will make the computer easier to use," he said.

These other peripherals include a touch tablet and a numerical keypad which will allow single-handed entry of numbers.

"Consumers don't want their computers to be just another piece of furniture," said Kingsborough. "They can do nothing for them without the right interface and software."

"We also believe that computers will follow the same history as cars. Studies show that each time a consumer buys a new car, at least one more feature is added," he said. "We think our new line is offering that type of step up."

#### Back in good graces

Kingsborough sees the new XL line as one of the ways that his company will be "getting back into the retailer's good graces."

"Three factors," he said, "are very important for retailers right now:

"1. The days dealers say they can lose money on hardware and make it on software are over. It hasn't worked. We think we will bring

profits back by making our products feature, rather than price, driven."

"2. The availability of environmental controllers will allow 'hardware' to mean more than the CPU alone."

"3. Our new pricing structure will allow margins to be more than simple off-invoice discounts," he concluded.

"We feel that 20 to 28 percent margins on hardware and 33 to 40 percent margins on software are not unobtainable," Kingsborough said.

**"We feel that 20 to 28 percent margins on hardware and 33 to 40 percent margins on software are not unobtainable for retailers."**

**—Don Kingsborough  
President  
Atari Sales &  
Distribution Co.**

As a result of this, Atari's advertising, as in the new campaign, featuring Alan Alda, will be "feature-driven."

"Commodore is in the computer-by-the-pound category. They are the only ones there right now and they are very successful. We will no longer be involved in that market," Kingsborough said.

How does he think the introductions of the IBM PCjr and the Coleco Adam will affect Atari's plans?

"The introduction of the IBM home unit will make the market grow faster

and make many more consumers aware. It also will serve to better define the category and tell manufacturers what they must offer to successfully compete," he said.

"The Adam's bundling concept also has its place. But, again, when a unit is bundled in that way, it creates a price point. On the other hand, we are offering separate packages for add-on sales in our line," Kingsborough noted. "Our Add-A-Paks for accounting, home management, tutoring and word processing are a form of bundling, but they do not establish a price point that can be leveraged."

#### Videogames still selling

Kingsborough also asserts that the death knell for videogames has been sounded too early. Atari projects that, all told, 6.2 to 6.5 million videogame hardware units will be sold during 1983.

"Our market share in the category was 43 percent last year, but, as of September, it's 74 percent in 1983. We have strengthened our share with greater availability of software, improvement in graphics, advertising and better pricing strategies for retailers."

"Certainly," continued Kingsborough, "the bad publicity has not been at all helpful to us. We have had a very difficult period, but we don't feel it's unusual to lose money during a shakeout. And we feel there will be another shakeout within six to 12 months."

"But the more expensive computers we will be offering will sell well in the mass market," he said. "And this Christmas will leave a good 'taste' in retailers' pockets. I think they will only regret that they didn't have bigger inventories."

### Mass retailers may drive into middle market

(Continued from page 29)

"Consumer demand will be very intense in the first half of 1984," said Christopher Kirby, investment analyst, Sanford & Bernstein, New York. "I see a pent-up demand from people who have bought low-end systems (buying a step-up) and from people who are becoming exposed to computers at school and the office."

Kirby expects to see good sales in 1984, but warned retailers to be careful about overstocking. "Companies may gear up for overproduction and retailers may overstock. By the end of 1984, IBM may emerge as the leader, leaving everyone else in the dust."

The Commodore 64 is expected to carry the low-end market, but Kirby warned that this product has a relatively short product life remaining. "It will continue to dominate through 1984, but Commodore will have to introduce something more powerful in order to stay competitive."

He also told retailers to be careful about the low-end machines, noting, "Consumers will be less inclined to put their dollars where they'll outgrow their systems."

Better news for the low-end market was heard from Lloyd Cohen, senior analyst, International Data Corp. "The low-end market will still exist. Some people want just a fancy game." He predicted, however, that the competition will be very cutthroat, and the number of vendors will diminish.

Some mass marketers may find themselves in the emerging middle

market, which industry analysts define as the \$500 to \$1,200 range. This as yet undefined market may have Coleco's Adam battling with the IBM PCjr and the Apple IIe. Contrary to some predictions, "I don't expect IBM to take this whole market because there is much more versatility than before," said Kirby.

The mass retailer's drive into this market may revolve around the success of the Adam. Said Jean Dietsch, president, Talmis research and consulting firm, Oak Park, IL, "The Adam has placed itself in the middle—a split between the mass market and computer dealers. A few on each side will carry it." She noted that discount catalog showrooms will carry the Adam, and if department stores want to, they'll have to charge more.

Not everyone agrees that this middle market will emerge. Some say that any new competitors will become part of the high-end market. One analyst predicted there will be more price discounting in 1984 and sharper differentiation between high and low end. As a result, middle-market products will have to decide which way they want to go.

#### Look for add-on sales

The mass market may make its biggest gain in 1984 in add-on sales such as software and peripherals, predicted Dr. Harold Kinne, senior vice president, PC marketing analysis, Future Computing. Forecasters said that computer stores will still garner a majority of the primary purchases, but consumers will shop in other retail

outlets for add-ons.

Although entertainment titles are expected to grab as much as 30 percent of the software market, the category will suffer because of lack of creative ideas, suggested some analysts. Nevertheless, retailers are warned to be on the lookout for a rapidly developing new category—home hobbyist. Dubbed "self-help" software, this includes personal improvement programs as well as artistic titles.

"The software lets the consumer use the computer as an artistic tool. For example, there is paintbrush software and music-making programs. The hobbyist software also enables the user to keep records of things such as stamp collections and other hobbies," explained Dietsch.

The academic software market may not fare as well as had been predicted, said Kirby. "The educational titles haven't proven to be the most exciting. They only account for five to 10 percent of sales." Instead, he sees "learning" software emerging as a leader.

Norm Weizer noted, "People are looking for more home uses—tax software, accounting, word processing. These and home education titles will be big sellers in 1984."

Industry analysts also warned retailers to watch for the portable invasion from Japan. Convergent Technologies is coming out with the Workslate, and NEC also will be introducing a portable.

It is an interesting category, said Kirby, because the computers can be compatible with office systems.

## MERCHANDISING COMPUTERS

# Retailers scramble to restock Texas Instrument's 99/4A

(Continued from page 29)

divisional merchandise manager. The computers retailed at \$59, and a special promotion offered them for \$49. "The majority of the customers are willing to take the chance. They want to buy as much software as possible now," explained Defrain.

### Could turn profit

There hasn't been any profit all year in the home computer department, he said, "but now we're actually gaining in this area. We're making more money. We've brought a lot of traffic into the store these past days with the attractive price on the 99/4A and this will generate additional sales. There was no profit when the TI's sold for \$150 anyway," he said.

Defrain said he was surprised by TI's pullout, but added, "A shakeout happens in every business." He said that Hess has no intention of leaving the home computer market. However, the department store, which also carries Commodore and Atari, will not replace the TI line. "There's no other manufacturer to replace it," said Hess.

Some retailers are scrambling to get more TI stock on their empty shelves. Foley's, Houston, sold out its stock of TI's at \$59.95, and Laddie Luljak, divisional merchandise manager, said 600 to 700 units are on order. He said the store does not plan to slash the price any further. "Why drop the price when they're selling now?" he said.

Luljak said the TI pullout wouldn't hurt fourth quarter sales because "it looked like a disaster anyway." He added that the department store would put its emphasis on another line, probably Commodore. He said his store also carries Coleco but that it was still waiting for the Adam to be shipped.

Luljak said his store has already revised its budget for fourth quarter sales. He added there is no way it would meet last year's figures. "Last year we sold 3,000 to 4,000 TI's at \$300," he said.

### Sales pick up

At Hills department store, Canton, MA, customers have no objection to buying TI's and sales have picked up since the announcement, reported Gene O'Connell, vice president. The 99/4A is currently selling for under \$50.

### Atari and Coleco announce increases

NEW YORK—Just as retailers started to bounce back from the news of TI's pullout from the home computer market, they were jolted by announcements of price increases from Atari, Inc., and Coleco.

Atari said it would raise the prices of its home computer and videogame consoles between 17 percent and 29 percent, effective January 1. The increases are expected to raise dealer prices on the 600 XL to \$180, up from \$140. The price of the higher capacity 800 XL would rise to \$280, from \$240.

Coleco Industries announced it would raise wholesale prices from \$385 to \$450 for the Adam console, which can be plugged into the Coleco videogame. The complete Adam system will be raised from \$525 to \$650. This is expected to increase the retail price to \$750.

"We'll carry TI for a little while. It depends on how the movement is," he explained. However, O'Connell added that fourth quarter sales are questionable. We'll make a decision about replacing the line next month, based on how many manufacturers are left."

W. Bell, a Md-based catalog showroom, said it hasn't decided whether or not it will replace the TI line. John Kendig, merchandise manager, said one third of the TI inventory had been sold. The machine is priced at \$49.95.

Customers have expressed concern over support for the 99/4A, but surprisingly, said Kendig, few questions have been asked about service and repair.

"We're telling them that by our best estimate, there will be people who will be supplying third party software," Kendig said. He added, "With more than two million installed units, it should warrant someone getting into the business."

A spokesman for Lechemere, Boston, MA, said that the supply of TI's had been sold out and the store does not plan to reorder them. He added the computer sold for \$49.58.

### May leave computer market

The TI announcement has caused some retailers to reassess their plans in the home computer market. "I question everyday if we should stay in the home computer business," said Rich Shorey, Newmark & Lewis, New York, which carries TI, Coleco and Atari. He added that the fourth quarter was a big question mark. "Is the home computer going to be just a seasonal gift?"

Right now, he said Newmark and Lewis has next to nothing in 99/4A units, and he doesn't think there will be any trouble selling them. "\$49.95 is a very attractive price." He added

that many consumers will buy the machine to introduce themselves to computers. "Software should be available for awhile," he said.

Herb Morgan, vice president, Mailman's department store, York, PA, said his store would decide after Christmas whether or not they will stay in the home computer market. "The TI announcement was a shock," he said.

"At this point, I can't see any reason to carry home computers anymore. You have to carry too much software and peripherals to make a profit." He added, "The market is just too volatile at this point."

Mailman's is currently selling the 99/4A for \$48.66. The store has purchased additional stock because there's no fear of downside, said Morgan. "The 99/4A will become a throwaway item for consumers," he added.

The Pennsylvania store will probably continue to carry software for the unit, said Morgan. "Two million units is an awful lot of computers to ignore," he commented.

### PCjr may set standards

While the TI pullout is expected to create more turmoil in the low-end market, the PCjr should bring some standardization and stability, said retailers. And many said they would carry the unit if it was available to them.

"If I had my druthers I'd go with the IBM PCjr. That's what I would carry if I had higher-end equipment," said Foley's Luljak. He added that his department store is still trying to make up its mind about whether or not it should carry the higher end or lower end. "We ought to have the PCjr if it's available. But I'd rather not gamble at this point. We'll be

better off waiting."

Other retailers welcomed the official introduction of the PCjr because previous speculation and rumors had caused havoc in the industry. "At least now there is something tangible to compete against," said Michael Jaret, president, Computertree, Dekalb, IL. Jaret, whose store carries the Apple line and several business computer lines, added that he was relieved to see that the unit was competitively priced. "People thought they would get a \$669 computer with a disk drive," he said.

Retailers said the IBM PCjr shouldn't hurt Christmas sales. Mike Flynn, vice president, merchandising, Team Central, Minneapolis, said he didn't think sales of Apple computers, said to be IBM's biggest competition, would be hurt in the fourth quarter. "I'm not convinced that both computers serve the same market. The PCjr is more the home market, not business or educational. Apple has more software that is ready to run, plus it has a strong selling market."

He noted that several years ago, people knew the Apple IIe would be available in January. "However, we sold more Apple II+'s than we ever had before. If my analogy is correct, people may buy what's available."

Similarly, noted Joe Osowski, vice president, merchandising, Schaack Electronics, MN, "With videogames, Mattel couldn't ship, Atari could. And even though Mattel had the better product, look who got the market."

"The psychology of Christmas," said Tom Poff, regional manager, Today's Computer, Pittsburgh, "is something under the tree. Consumers want the computer because it's Christmas. They will make their decision based on what's available," he added.

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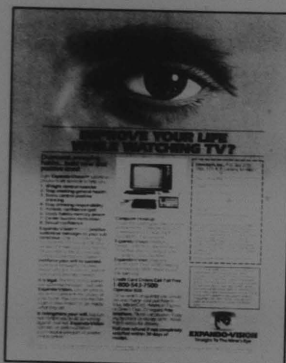


## NEWSLINES COM- PUTERS

**DOBBS FERRY, NY**—Access to more than 500 current software publishers, ranging from large firms to small entrepreneurs, is available in the USMI: Market Directory. Published in a looseleaf format, the directory will be expanded and updated six times a year. Retailers can locate publishers six ways: key subject index, microcomputer system compatibility, operating system compatibility, company, geographic location and USMI registration number. Other information available includes ordering policies, retail account procedures, technical support availability, point-of-sale support and contact names and phone numbers. The publication is available at a special introductory price of \$195 per year, including all six updates. For more information, contact David Cohen, Box P, Technique Learning Corp., 40 Cedar St., M, Dobbs Ferry, NY 10522.

**NEW YORK**—A program that computer retailers can both sell and use to fine-tune their management techniques has been introduced by Thoughtware, Inc., of Coconut Grove, FL. Aimed at small businesses of all types or individual divisions of large corporations, the computer course is designed to help improve management performance and competence. It teaches organization effectiveness, interaction styles and other skills. Users work at their own pace and can assess their performance as it compares with national norms. There's even a section that allows a manager to compare his view of his skills with how his employees, as a group, view them.

Two programs are currently available: Management Diagnostics and Management Training. Seven more will follow. Thoughtware currently operates on the IBM PC and hard disk XT. Apple-compatible software will be released soon and others will follow. Each program will retail for \$350 to \$400. For more information, dial 800/THT-WARE.

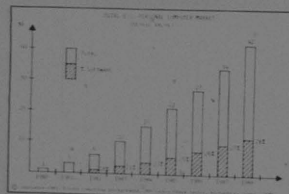


Software delivers  
subliminal messages

**E. LANSING, MI**—What can I do with a computer? Customers who ask that question can now be told that their Commodore or Atari model can help them lose weight, stop smoking, control stress and even improve their sexual confidence. All it takes is an Expando-Vision interfacing box and the proper program.

Introduced by Stimutech, Inc., Expando-Vision turns the computer into a device that delivers subliminal messages while the user watches any entertainment program (broadcast, cable, VCR, etc.) on his television. As demonstrated by Dr. Wallace LaBenne, chairman of the firm's scientific advisory board, the unit flashes a sort of message on the screen once every 2 1/2 minutes. The message appears only for 1/30th of a second—too fast for the viewer to consciously notice, but not too fast for the subconscious. As a result, the subconscious becomes "imprinted" with a message that can bring about a change in behavior. For example, messages in the stress-control program include: I am calm; I see me at ease; I am tension-free, and I am tranquil. According to LaBenne, a user will notice a change in his behavior after one month, and should have a complete change effected after three months of regular use. He emphasized, however, that the device will only work if the user has the desire to change his behavior. "It can help people reach their goals," he said. "But it will not force them to do what they don't want to do."

Expando-Vision is now being sold via direct mail. The interfacing box sells for \$89.95 and cartridges for \$39.95. As of Comdex, the device will be made available to retailers of all shapes and sizes. Eight cartridges are now available. More will follow. Expando-Vision will also be made compatible with more computers.



Retail computer sales  
will hit \$40 billion by 1988

**RICHARDSON, TX**—Retail sales in the personal computer market will top \$10 billion this year, predicted Future Computing, Inc. IBM is the projected winner in personal computer sales with \$1.5 billion in worldwide hardware and software revenue. Apple Computer's 1983 sales will equal those of Radio Shack, the 1982 leader, and will be followed closely by those of Commodore. Look for three new members in the top 10 manufacturers: DEC, Victor and TeleVideo. These newcomers will replace Zenith, Altos and Osborne from the 1982 list. The future for personal computer sales looks good, added the firm. Retail sales will grow to more than \$40 billion by 1988. And by 1990, Future Computing predicts 70 to 75 million home computers will be in use in two-thirds of all U.S. households.

**NEW YORK**—Simon and Schuster has formed an Electronic Publishing Division that will publish and distribute computer software and books, both for itself and for other publishers. Targeted retailers will include book stores, computer specialty stores and any other type of outlet where computer merchandise is sold. Heading the division is Frank Schwartz, president, and Alvin Reuben, executive vice president for sales and distribution.

According to Schwartz, "Our early focus will be on titles for the home and educational markets. We will not do much pure entertainment product." Software will be aimed at such computers as the Commodore 64 as well as units by Apple and IBM and upper-end Atari models. Initial products include: Wordvision for the IBM PC by Bruce & James, distributed to all outlets; The Learning Co.'s complete line, to book and toy stores, and the popular Peter McWilliams books to computer stores.

In the future, Simon and Schuster will distribute the new McWilliams book to all markets. Also, educational games will be developed around Jim Henson's Muppets, an adventure software series will be based on Douglas Adams' book, The Hitchhiker's Guide to the Galaxy, and an adventure game will spring from Star Trek.

The company will use its more than 100 book salesmen to service book stores. In addition, more than 100 reps have been hired to handle other types of outlets. Among the company's plans are seminars for software retailers which will be handled both on a local level and at national events, such as the Consumer Electronics Show.

**MANAGEMENT MOVES**—Atari, Inc., has appointed David Ruckert as senior vice president of Atari Products Management, the marketing arm for home computers and videogames. Ruckert formerly was senior vice president of entertainment software marketing. He replaced John Cavalier, who resigned...Tom Restaino has been named vice president, marketing, for Activision. Restaino will be responsible for the marketing, advertising, and promotion of all entertainment software titles. Previously, he served as director, home computer software market development. Activision also announced the appointment of Jim Scoroposki, vice president, sales...Monogram, a division of Tronix Publishing, Inc., has hired Frank Mullin as director of software development. Mullin joins Monogram from TRW.

# **MERCHANDISING COMPUTERS**

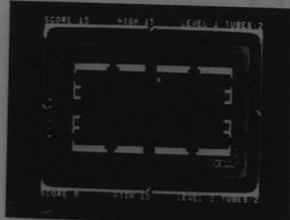
## **VIDEOGAMES**

**FROSTBITE**, Activision, Inc. Atari 2600-compatible. Available now. Suggested retail \$31.95.  
**MOON PATROL**, Atari. Atari 2600-compatible. Available now. Atari 5200-compatible. Available first quarter of 1984. Suggested retail \$40.95.  
**PENGO**, Atari. Atari 5200-compatible. Available now. Atari 2600-compatible. Available first quarter of 1984. Suggested retail \$40.95 (5200), \$35.45 (2600).

## **COMPUTERS**

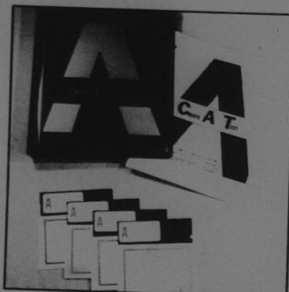
## **GAMES**

**APPLE CIDER SPIDER**, Sierra On-Line. Apple II series-compatible. Available now. Suggested retail \$29.95.  
**CANDY BANDIT**, T & F Software. Commodore 64-compatible. Available now. Suggested retail \$29.95.  
**COLOR BASEBALL**, Radio Shack. TRS-80 color computer-compatible. Available now. Suggested retail \$24.95.  
**DARK CRYSTAL**, Sierra On-Line. Apple series-compatible. Available now. Suggested retail \$37.95.  
**SEAFOX**, Broderbund Software. Commodore VIC 20-compatible. Available now. Suggested retail \$34.95.  
**SHADOW WORLD**, Synapse Software. Atari series-compatible. Available now. Suggested retail \$34.95.  
**SPEED RACER**, T & F Software. Commodore 64-compatible. Available now. Suggested retail \$29.95.



**SPITBALL**, Creative Software. Commodore 64-compatible. Available now. Suggested retail \$34.95.  
**STAR BLAZE**, Radio Shack. TRS-80 color computer-compatible. Available now. Suggested retail \$19.95.  
**STARBOWL FOOTBALL**, Gamestar, Inc. Commodore 64-compatible. Available first quarter of 1984. Suggested retail \$31.95.  
**STAR LEAGUE BASEBALL**, Gamestar, Inc. Commodore 64-, Atari series-compatible. Available first quarter of 1984. Suggested retail \$31.95.

## **LEARNING**



**CREATE A TEST**, Cross Educational Software. Apple series-compatible. Available now. Suggested retail \$49.95.  
**ELECTRONIC FLASH CARD**, Advant-Garde Creations. Apple II+-compatible. Available now.  
**FAX**, EPYX, Inc. Apple series-compatible. Available now.



**I AM THE C-64**, Creative Software. Commodore 64-compatible. Available now. Suggested retail \$29.95.  
**MICROMETER**, School & Home

CourseWare, Inc. Apple-, Atari-, PET-, TRS-80 compatible. Available now.  
**MUSIC CONSTRUCTION SET**, Electronic Arts. Apple series-, Commodore 64-compatible. Available now. Suggested retail \$40.  
**PROGRAMMING KIT II**, Timeworks, Inc. Commodore 64-compatible. Available now. Suggested retail \$24.95.

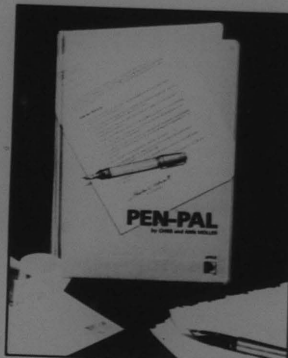


**SPELLBOUND**, Timeworks, Inc. Commodore 64-compatible. Available now. Suggested retail \$24.95.  
**WORD WIGGLE**, Software Toolworks. IBM PC-, Zenith Z100-com-

See Retailer  
 Opinion File  
 page 32

## **HOME MGT**

**CASH BUDGET MANAGEMENT**, Radio Shack. TRS-80-compatible. Available now. Suggested retail \$49.95.  
**MAIL CONTROLLER**, Orbyte Software. Commodore 64-compatible. Available now.



**PEN-PAL**, Howard W. Sams & Co., Inc. Apple II series-compatible. Available now. Suggested retail \$59.95.  
**SOFTAX**, Design Trends Ltd. IBM PC-, Apple series-compatible. Available now. Suggested retail \$199.  
**ULTRA PLOT**, Avant-Garde Creations, Inc. IBM PC-compatible. Available now.

# **Merchandising's TOP 10 TEN**

... in videogame software

	Last month's position	Months on chart
1. Q*Bert (Parker Brothers)	1	4
2. Pole Position (Atari)	3	3
3. Centipede (Atari)	2	9
4. Jungle Hunt (Atari)	6	2
5. Miner 2049er (Atari)	—	1
6. Mr. Do (Coleco)	7	2
7. Ms. Pac-Man (Atari)	8	10
8. Dig-Dug (Atari)	—	1
9. Time Pilot (Coleco)	—	1
10. Donkey Kong, Jr. (Coleco)	—	4

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## MERCHANDISING COMPUTERS

### IBM introduces PCjr home computer; one model sells for \$669, other for \$1,269

BOCA RATON, FL.—IBM's PCjr home computer is available in two models: a \$669 system unit and cordless infrared keyboard, which uses cartridge programs and offers 64K of user memory, and a \$1,269 diskette drive model with 128K memory, which uses both cartridge and diskette application programs.

Options available for the unit include an internal communications device, thermal printer, joysticks and more than a dozen new programs.

The PCjr offers a 16-bit microprocessor and a 62-key cordless keyboard that communicates with the system unit by an infrared signal, allowing line-of-sight use up to 20 ft. away. Each key may be programmed individually so that users can customize the keyboard for individual

applications, says the firm.

The entry model features a 16-bit 8088 microprocessor, two slots for ROM cartridges, an audio tone generator and a 12-month warranty. With an adaptor or connector, unit can display up to 40 columns of information on a TV set, composite display or a direct-drive color monitor.

The enhanced model includes an additional 64K of user memory as well as a 360K, dual-sided slimline diskette drive. Unit has the capability to display up to 80 columns of information.

Included with both PCjr models are a Guide to Operations manual and a Hands-On BASIC booklet which can teach users about the BASIC programming language and important concepts in computer programming.

New software programs announced for the PCjr include four game cartridges, an easy-to-use word processor, communications program and updated versions of several existing diskette programs.

IBM, Entry Systems Div., P.O. Box 2989, M. Delray Beach, FL 33444.



IBM PCjr



RX-80 F/T dot matrix printer

### Epson printer has list price of \$599

TORRANCE, CA.—Epson America, Inc.'s RX-80 F/T dot matrix printer comes standard with a tractor and friction paper feed in addition to all the features of the original RX-80 model.

The RX-80 F/T has a printing speed of 100 characters per second, with a choice of two full 96-character ASCII sets plus nine international character sets with 32 HX-20 graphics characters. Users may choose from 128 type styles, said the firm.

Other standard features include: disposable printhead, which can be removed and replaced in one easy slip-out, slip-in procedure; logic-seeking, bi-directional printing; underline mode, and a special quiet mode that reduces the noise level. Suggested retail price is \$599.

Epson America, Inc., 3415 Kashiwa St., M. Torrance, CA 90505.



Sakata monitor SG-1000

### Sakata introduces compatible CRT

ELK GROVE VILLAGE, IL.—A high-resolution CRT monochrome display monitor from Sakata is compatible with the Atari 800, IBM, Apple and NEC computers.

Features of the CRT include a 2,000 character display format, an 18 MHz video bandwidth, digital amplifier, minimal picture distortion and external front and back controls.

The monitor, model SG-1000, conforms to industry standards of UL, FCC and DHHS. The unit weighs 16.5 lbs. Its suggested retail price is \$129.

Sakata USA Corp., 651 Bonnie Lane, M. Elk Grove Village, IL 60007.

### Serial card III lets user expand communications

CUPERTINO, CA.—The Apple Serial Card III is designed for Apple III users requiring more than one serial communication device. By inserting the card in one of the Apple III's internal slots, a user can communicate with a variety of modems, plotters, printers and other serial (RS-232-C) communications devices without disconnecting or reattaching any of the system's cables, said the firm. Up to four cards can be used at once.

With appropriate software, the card enables users to perform multiple communications tasks such as printing documents while simultaneously communicating with another computer via a modem. An accessible switch on the card permits changing from DTE to DCE formats without having to replace the modem eliminator cable. The suggested retail price is \$225.

Apple Computer, Inc. 10260 Bandy Dr., M. Cupertino, CA 95014.

### Columbus introduces counter

COLUMBUS, OH.—Columbus Instrument's PC-800/Apple multichannel counter interfaces directly to the Apple II, Apple IIe computers and is available in eight-channel multiples.

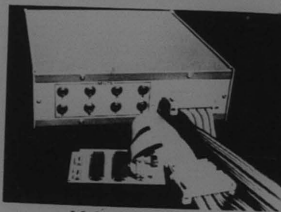
The Apple counter is capable of counting to five decades at speeds up to one MHz, said the firm. Inputs are sensitive to TTL levels, contact or transistor closures.

Supplied software allows user to select intervals, read contents of each counter, reset counter to zero, print results and store them on the disk. Counters are housed in separate cabinet with individual ¼-in. phone plug inputs. Communication between counter and computer is done via supplied I/O card which plugs into

one of the slots of the computer.

The Apple counter is intended for conversion of Apple II computers into multichannel printing counters.

Columbus Instruments International Corp., 950 North Hague Ave., M. Columbus, OH 43204.



Multichannel counter

### Model 4P computer plugs in AC outlet

FORT WORTH.—The TRS-80 Model 4P computer reportedly can be used anywhere there is an AC outlet. The transportable computer weighs 26 lbs. and measures 16½ in. by 13 in. by 9¼ in.

Totally compatible with all Model 4 programs, the computer can also run all Model III TRSDOS and LDOS disk programs. It is compatible with the CP/M Plus operating system offered by Radio Shack. The unit comes with 64K memory that can be expanded to 128K. It is offered with two built-in, 184,000-character, double density 5¼-in. disk drives.

A nine-in. high resolution 80 by 24 display can be upgraded to provide an optional 640 by 240 high resolution graphics. An internal direct-connect modem board can be added to allow communication with other computers and to access information services. The full-size 70-key typewriter style

keyboard features a numeric datapad and three special function keys.

The Model 4P modem board, offered for \$149.95, is a direct-connect, auto-dial/auto-answer 300 bps modem. Microsoft Disk BASIC, owner and programmable manuals, reference card and an introduction to the computer comes with the unit. Computer has a suggested retail of \$1,799.

Tandy Corp./Radio Shack, 1800 One Tandy Ctr., M. Fort Worth, TX 76102.

### Protection device shields from 6,000-plus spikes

BALTIMORE, MD.—Power protection device by Dymarc Industries shields computers and other sensitive electronic equipment from electrical spikes of 6,000 or more volts. Suggested retail price for the Clipper is \$49.95.

The product reportedly has a response time of five nanoseconds to stop both normal and common mode spikes. Unit plugs into any three-pronged socket and provides three outlets of protected power for computer and peripherals. Device also features an audible beeper and a LED to indicate when, for any reason, Clipper is not operating properly, according to the firm.

Dymarc Industries, 21 Governor's Ct., M. Baltimore, MD 21207.



TRS-80 model 4P computer



Computerized road atlas

### Computerized road atlas determines driving route

COLUMBIA, MD.—Roadsearch-Plus is a computerized road atlas for the Apple II and IIe personal computers. Program simplifies the process of determining driving routes for interstate highway systems, said Columbia Software.

Software determines and prints the shortest practical route between cities in its database. Program also avoids toll or other roads if desired. Another program develops routes which may be longer, but more suitable to a user's specific needs.

Program contains a database of 406 cities/road intersections and about 70,000 miles of interstate and major through highways in the U.S. and Canada. Program also contains a Roadmap Development System that lets a user customize his roadmap with up to 50 additional cities or road junctions and 100 additional road segments anywhere in North America. User can add local roads, favorite shortcuts, new destinations and keep his database current with the latest roadmap revisions.

Printout outputs include the driving route, distances, travel times and fuel usage in different formats. Program retails for \$74.95. Without the development system, program retails for \$34.95.

Columbia Software, P.O. Box 22354, 5461 Marsh Hawk, M. Columbia, MD 21045.



## VIDEO & AUDIO

# 1984 WCES expands into new 120,000-sq.-ft. West Hall

LAS VEGAS, NV—The news is: The 1984 Winter Consumer Electronics Show (WCES), to take place here Jan. 7 through 10, will be the largest ever, with more exhibitors, more exhibit space and more attendees than ever. But you knew that already, didn't you?

What's truly new is an addition to the Las Vegas Convention Center—the 120,000-sq.-ft. West Hall, built by the Electronic Industries Association's Consumer Electronics Group (EIA/CEG) and the Interface Group, sponsors of Comdex.

The CES is also expanding this year into all the public space at the Riviera and Sahara hotels. The new space will enable the exhibitors to be better organized by category, according to Jack Wayman, senior vice president of the EIA/CEG.

In addition to the regular schedule of conferences, workshops will address a number of hot topics, including: How to select the right mix of computer and game software, How and to whom can digital audio be sold? and Who is buying video cameras and why?

### 80,000 expected

If Wayman's estimates are right, each of us will be walking the aisles of the Las Vegas Convention Center and surrounding hotels with 79,999 others. A record 125,000 sq. ft. of space will house 1,225 exhibitors, at last count.

New exhibitors number near 300, according to Wayman. They include

Konica and Polaroid—two photo companies foraying into the blank videotape field—as well as Kodak and Apple. (Conspicuously absent from the exhibitors list is Sony Consumer Products Co., also missed at the 1983 Summer CES. Sony Tape Sales Co. will exhibit.)

The new West Hall, located across the street from the Convention Center's East Hall, will house most of the 275 computer and game hardware and software manufacturers expected to exhibit this January. The rest will occupy the eastern third of East Hall, which will also be home to some 335 audio, video and full-line manufacturers, as well as many video software manufacturers.

Some 40 video software exhibitors—namely, those vending adult titles—have been relegated to the Sahara Hotel.

Telephone, calculator and watch manufacturers will display their wares in South Hall and in the Las Vegas Hilton's Pavilion and Grand Ballroom.

Car audio suppliers will exhibit in North Hall, and high-end and limited-distribution audio manufacturers will set up shop at the Riviera.

Shuttle buses will be provided for attendees wishing to travel among the various exhibit areas.

The CES will sponsor the usual series of workshops, covering retail problems and needs. The Outlook '84 conference takes place on Saturday, Jan. 7, the first day of the show. Following over the next two days will

be the computer and games, audio, retail management, export opportunities, video, telephone equipment, retail advertising and promotion conferences and workshops.

In addition, hour-long workshops scheduled throughout the show will cover the topics mentioned above, as well as rentals of audio, video and computer hardware and software; sales of computer peripherals and accessories for those who don't sell

computers; car audio demonstrations; the electronic distribution of computer and video programming and its effect on the retailer; audio listening rooms; educational computer software; mobile and personal communications, and retail sales training.

High-end audio and car audio will also be discussed in a series of workshops sponsored by the Compact Disc Group, the Custom Automotive Sound Association and another group.

## Pioneer's Doyle is new EIA/CEG chairman

WASHINGTON, DC—Jack Doyle, president of Pioneer Electronics U.S.A., has been elected 1984 chairman of the board of directors of the Electronic Industries Association's Consumer Electronics Group (EIA/CEG). The action was taken at the organization's recent meeting in California.

Frank Lann, N.A.P. Consumer Electronics, was named CEG vice chairman and chairman of the video division. John McDonald of Casio will head the computer division this year, and Jim Twerdahl of JBL will lead the audio division.

William Boss of RCA Consumer Electronics division was re-elected CEG vice president. (He also assumes the chairmanship of the EIA in January.) Don Palmquist of Yamaha and Ed Pessara of TDK were named chairmen of the car

audio and blank tape subdivisions, respectively.

Among the activities the CEG approved for 1984 are: an economic impact study of the consumer electronics industry's contribution to the U.S. economy, the accelerated development of an industry data base, financing support for the Public Broadcasting System's (PBS) series on consumer electronics, The New Tech Times, and expansion of the CEG's statistical reporting capabilities, particularly in computers.

The board approved expenditures for research on high-definition TV, multi-channel sound, product safety and electromagnetic compatibility. It also increased funding for an "electronic bus," which should simplify the operation of interconnected video/audio products.

# REEL NEWS.

Teac, the foremost name in reel to reel recording, introduces "reels" for your cassette deck.

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Perhaps the best thing about Teac's new mini-reel cassettes is that now you'll know if you're coming or going.



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